FT No. 31,179 • THE FINANCIAL TIMES LIMITED 1990

Thursday June 21 1990

World News

# **US** breaks dialogue with **PLO** over terror raid

The Bush Administration has decided to break off its 18month dialogue with the Palestine Liberation Organisation in protest over the PLO's failure to condemn a maverick terrorist attack launched last month against Israel. The suspension of contacts amounts to a severe, though not necessarily fatal, blow to the Administration's Middle East peace initiative. Page 16

Hero's welcome Anti-apartheid leader Nelson Mandela arrived in the United States amid tight security to an extraordinary outpouring of good will. Mr Mandela rode up Broadway in a bullet-proof "greenhouse", receiving the cheers of hundreds of thou-

**Soviet warning** The new Soviet ambassador to East Germany warned the coalition governments in Bonn and East Berlin against pressuring "2 plus 4" negotiations on German unity. Page 2

sands of New Yorkers.

Walesa eyes top job Solidarity leader Lech Walesa confirmed that he wanted to become Poland's President, saying the country needed a strong leader as it moved to a free market system.

Mescu swom in Mr Ion Iliescu was inaugurated as President of Romania, and later pledged to keep the country on the road to democracy and end what he called its "moral decay". Page 2; Hard road to revolution, Page 26

**US to cut defence** The Bush Administration plans a 25 per cent cut in the armed services over the next five years, in response to a reduced Soviet threat and remote prospects of a land war in Europe, Page 4

1.000 teachers fired The Zimbabwe Government said it had sacked more than 1,000 teachers, one-eighth of all teachers employed by the state, who went on a week-long strike to demand higher wages.

Kurds 'executed' **Hundreds of Kurdish refugees** who have taken advantage of official amnesties and returned to Iraq appear to have been tortured or killed, Amnesty

International said. Page 6 Israel unveils policy Israel's right-wing government, after 10 stormy days in office outlined a foreign policy which is unlikely to soothe any of

its critics. Page 6

Tank explodes An ammonia storage tank exploded in northern Mexico, spreading fumes that killed one person and forced the evacuation of about 3,000.

Nine killed in floods Nine people were killed and eight were missing after more than 12 hours of rain deluged northern Turkey, the semi-offi-cial Anstolian News Agency

Blasts on warship The US aircraft carrier Midway was rocked by two explosions off the coast of Japan, injuring at least 16 sailors and embarrassing the US on the eve of

anniversary celebrations. Hijacker must return Moscow demanded the return of Oleg Kuzlov, the 20-year-old hijacker who on Tuesday com-mandeered a Soviet domestic

flight and forced it to fly to Helsinki, Finland. Charlie checks out

Checkpoint Charlie, the Allied crossing point at the Berlin Wall where Soviet and US tanks faced off during the Cold War, will be dismantled on Friday. An associated museum will remain.

# Business Summary Philips to restructure

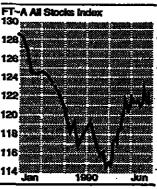
after division

Philips of the Netherlands, Europe's largest electronic group, announced drastic restructuring designed to stem substantial losses in its information systems division and return the division to profit-ability by 1992. Page 17

UK GILTS edged upwards in price, then moved sharply higher at market rumours of

**UK Gilts** 

iosses



imminent membership of European Monetary System. Lon-don Stock Exchange, Page 27

JAPAN said violators of antimonopoly laws would face severe penalties. Page 6 PROCORDIA: Swedish pharmacentical and food group,

announced a restructuring of its pharmaceutical business. FRANCE announced two new debt relief measures for Afri-can countries at the Franco-Af-

rican summit meeting in La Baule. Page 6 KYMMENE, Swedish forest products company, reported sharp fall in pre-tax profits for the first four months of

1990 to FM251m (\$44.7m) from FM601m. Page 18 INDIA will introduce legislation to allow private companies to enter the electricity generation industry. Page 6

CAMPRAU Corporation, Toronto real estate group, reported one of biggest annual losses in Canadian corporate history of \$1.74bn. Page 20

JAPAN'S big four securities houses have weathered down-turn in the Tokyo equity market through performance over-

KOOR INDUSTRIES, debt-ridden Israeli group, amounced inflation-adjusted losses in 1989 of Shk595m (\$293m). Page 19 US ECONOMY continues to grow slowly, with little change in the underlying inflation rate, according to Federal

Reserve. Page 4 ENERGY demand last year showed the slowest growth since 1983, according to BP Statistical Review of World Energy. Page 26

STC, UK-based information src, UK-pased internation technology group, saw its share price fall sharply as the City of London reacted jumpily to a profits warning given by its chairman. Page 17; Lex, Page 16

JAPANESE car makers and government officials criticised plans by the European Community to restrict car imports from Japan. Page 3

**HONGKONG and Shanghai** Banking Corporation credit rating was cut by IBCA, London-based rating agency.

CONTINENTAL Bank, big US bank, plans a \$75m to \$100m client fund for investment in Taiwan. Page 21

FRANCE'S foreign trade deficit deteriorated in May for second month in a row to FFr5.7bn (\$997m) from FFr4.4bn in April.

MKXICO says Japan has agreed to extend development loans worth the equivalent of just over \$1.6bn without setting conditions.

# UK proposes new European currency as EMU alternative

By Peter Norman, Economics Correspondent, in London

MR John Major, Britain's Europe's monetary future chancellor of the Exchequer, ahead of December's Intergovyesterday proposed that the European Community should member states which is due to have a new international cur-rency backed by a European Monetary Fund as an alternative to existing proposals for EC economic and monetary

union (EMU).

The Chancellor presented his proposals for a "hard Ecu" derived from the existing European Currency Unit in a speech to the German Industry

The hard Ecu would be a parallel currency alongside existing EC monies that might in time become a common curm time become a common cur-rency for Europe and "in the very long term" a single cur-rency if peoples and govern-ments so chose, he said.

Mr Major's speech last night presented Britain's plans for

the medium term future, after the so-called Stage 1 of the Delors programme towards EMU has been completed. But the timing of the Chancellor's address was linked to much more immediate political

The new proposals will allow Mrs Margaret Thatcher, the British Prime Minister, to appear at next week's EC Sum-mit meeting in Dublin as a good European who is not automatically opposed to greater monetary integration in Europe. They are intended to

broaden the debate on

decide on how to progress towards EMU.

Stage 1, which has been agreed by all EC governments, starts next month and entails

the creation of a single finan-cial area in the EC with the free movement of capital and eventual membership on equal terms of all EC currencies, including sterling, in the exchange rate mechanism of the European Monetary Sys-

mr Major's speech, which was flagged well in advance by the Treasury's publicity machine, therefore set out Britain's answer to the Delors Committee proposals for progress towards EMU beyond store.

stage 1.
The Delors proposals, centreing on institutional progress towards EMU culminating in a towards EMU culminating in a single EC currency and central bank, have strong backing elsewhere in the Community but have been firmly rejected by Mrs Thatcher.

Last night, Mr Major proposed as "a first practical step" the issuing of Ecu bank notes in the EC, which would require the establishment of a European Monetary Fund (EMF).

pean Monetary Fund (EMF).

The EMF would act as a currency board to provide Ecus on demand for EC currencies. To prevent any inflationary expansion of the money supply, he proposed that the Fund should only issue notes that were fully backed by its own holdings of the various EC currencies that make up the Ecu.

As a further step, he advocated the creation of a new
"hard Ecu." In this stage, the
Ecu would become a currency in its own right and no longer defined as a basket of the EC

currencies as at present.

The hard Ecu "would never devalue against other Community currencies," he said. In that way it could gradually win support at the expense of existing EC currenctes and so

existing EC currencies and so provide a gradual, market-related way for Europe to evolve towards EMU.

The EMF would manage the hard Ecu, eventually setting interest rates for it through normal central banking techniques. The proposed Fund would also co-ordinate the member states intervention against the dollar and the ven against the dollar and the yen. Rules would also be needed to prevent the Fund having to support weak Community currencies.

Mr Major acknowledged that the latest British ideas owe much to proposals put forward recently by Sir Michael Butler, a former diplomat and director of Hambros Bank, and Mr Paul Richards, a director of mer-chant bank Samuel Montagu. Yesterday Sir Michael wel-Continued on Page 16
Details, Page 7; Economic
Viewpoint, Page 14

# SCA of Sweden to buy British group for \$1.7bn

By Maggle Urry in London and Robert Taylor in

SVENSKA CELLULOSA, the SVENSKA CELLULOSA, the Swedish pulp, paper and pack-aging company, has agreed to pay £1.05bn (\$1.69bn) for Reed-pack, the UK paper, packaging and office supplies group. The merged group will be a leading European paper com-pany with annual production of 3m tonnes of paper and

board.

The deal, announced yesterday, is the latest in a wave of mergers throughout the paper industry, many of which have involved Nordic groups buying production capacity sited in European Community countries. It follows the recent purchase by Stora of Sweden of Feldmühle Nobel, a leading

West German paper group. Reedpack was formed two years ago through a £609m (\$1.03bn) management buy-out from Reed international, the publishing group. It had planned to come to the stock market within three years of the buy-out but a flotation did not now look practicable in the

next year. The takeover will mean that the top 300 managers at Reed-pack will see their investment in the buy-out increased 34fold. Mr Peter Williams, chief executive, who invested £150,000, will receive more than £5m in the form of SCA convertible shares. Institutional investors and employee share-holders will see a 2½ times increase in their investments.

Although Reedpack had been meeting its bankers' targets, Mr Williams said the board had decided to sell to SCA because

high UK interest rates meant the company could not finance the investments it wanted to

Reedpack has been planning to build a £250m newsprint machine at its Aylesford, Kent, site but had been unable to fund this alone. That invest-ment will now go ahead as soon as possible, SCA said. Mr Sverker Martin-Lôt, presi-

dent and chief executive of SCA, said the growth in Reedpack's profits and the invest-ment made since then meant the price SCA was paying "is a reasonable market price." It is taking on Reedpack's debt of more than £500m and paying £544m for the equity. Mr Martin-Lôf said Reedpack was a good fit with SCA, both geographically and in product

terms.
It would give SCA a leading share of the European corru-gated cases market, take it into newsprint made from waste paper, make it the second largest collector of waste paper in Europe, and bring it into areas such as cartons, plastic pack-aging and office supplies.

To avoid monopoly prob-lems, SCA said it had sold its other UK interests. SCA said the acquisition would marginally dilute its earnings this year but it expec-ted the deal to enhance earnings per share by "at least 10 per cent in 1992." Lex, Page 16; Money really

does grow on trees, Page 17; Kymmene, Enso-Gutzeit profits fall, Page 18; Smurfit buys minority stakes, Page 23.

# **Ozone layer** 'is being depleted faster than expected'

Φ D 8523A

By John Hunt, Environment Correspondent

THE OZONE layer is being depleted faster than expected, according to a report presented to an international conference yesterday on the Montreal Pro-tocol, the agreement to phase out CFCs (chlorofluorocarbons) and other chemicals which thin the ozone layer.

The ozone layer protects the Earth's surface against exessive ultraviolet radiation. Its thinning increases radiation which contributes to global warming and can cause skin

cancer.
The London conference began on an optimistic note when Dr Mostafa Tolba, direc-tor of the United National Environment Programme, said China had significantly reduced the estimate of aid it reduced the estimate of and it would need to convert to CFC substitutes. This raised hopes that China would sign the protocol and that an international aid programme to help the Third World phase out CFCs would be agreed.

The report, from scientists of the UK Stratospheric Ozone Review Groups, says chlorine in the stratosophere is expec-ted to increase to levels higher than previously experienced with "a risk that these might trigger disproportionately

larger ozone losses."
It detects a long-term decline in the amount of ozone in winter over mid-northern lati-tudes. This was most marked over North America and Europe, where decreases of between 24 and 3.5 per cent

per decade were detected. This suggests that ozone depletion in the northern hemi-sphere is acclerating in the same way as the Antarctic

same way as the Antarctic ozone hole.

The report says, however, that the Antarctic ozone hole could disppear by the year 2050 if an 85 per cent reduction in release of CFCs and other ozone-depleting chemicals was achieved by the mid-1990s, with total elimination of emissions by the year 2009. sions by the year 2000.

This is in line with proposals

put to the conference, being attended by 56 countries which others which may sign. Dr Tolba suggests reducing CFCs by 85 per cent by 1997 and elimination of them by 2000. The EC position is elimination by 2000, or by 1997 if possible. The report warns that ozone depletion will increase in the Continued on Page 16

Taking aim at a global issue,

# Ligachev calls for Gorbachev's resignation By Leyla Boulton in Moscow



Ligachev: conservative challenge to Gorbachev

THE LEADING conservative in the Soviet Union's Communist Party, Mr. Yegor Ligachev, yes-terday called on Mr Mikhail Gorbachev to step down as general secretary of the party. The challenge to the Soviet President from a hard core of party conservatives came as Uzbekistan joined the ranks of Uzoekistan runen are inner sovereignty and as the Georgian parliament met to discuss legal steps to independence.

Mr Gorbachev came under attack by speaker after speaker at the founding congress of the Russian Communist party, which opened on Tuesday. Yesterday, in advance of the call from Mr Ligachev, he himself

raised the possibility of giving

up his post.

After listening to lengthy criticism of his five-year rule, Mr Gorbachev said it was easy to attack him in troubled times: "I think some comrades are treating the general secre-tary and president very casution. Tomorrow or in 10 or 12 days, there could be another general secretary, chairman of the party."

Mr Ligachev, the Polithuro hardliner in charge of agriculture, accused Mr Gorbachev of taking key economic and foreign policy decisions on his own and of damaging the party: "One cannot be the

German market, is not expec-

ted to be operating before the

end of 1991.

Before 1991 the East German

postal authorities will spend

some DM540m extending the existing telecommunications network, with help from a DM540m loan promised by

Mr Schwarz-Schilling said

leader of the Communist party, this guiding force, without devoting all the time to it," he told the congress.

"The socialist community has disintegrated, while the positions of imperialism have been dramatically consolidated," he said, employing old-tyle in room provincement of the

height of the Cold War. Mr Ligachev's attack, his most vitriolic to date, comes 12 days before next month's landmark party congress, which many expect will formally split

the party that has ruled the country for 73 years. The congress of Russian Communists, who represent 60 per cent of the members of the

Communist Party of the Soviet Union, voted as expected yes-terday to set up a new Commu-nist Party of the Russian Federation.
But they pledged that it

would remain an integral part of the parent party, following a warning by Mr Gorbachev that supremacy of the Communist Party of the Soviet Union. While there have recently

been suggestions from close Gorbachev allies that the Soviet leader might step down, Mr Yuri Prokofyev, who heads the Moscow Communist Party, said yesterday he did not believe Mr Gorbachev's Continued on Page 16

GLOBE INVESTMENT TRUST P.L.C.

BRITAIN'S LARGEST INVESTMENT TRUST THE OFFER FROM

**BRITISH COAL** PENSION FUNDS

FREEPHONE GLOBELINE

0800 666 602

You may call this number free of charge at any time for a message from your Chairman, David Hardy

The Directors of Globe investment trust P.L.C. are the persone responsible for the information contained in this advertisement. The Directors confirm that to the best of their knowledge and belief thating taken all reasonable care to ensure that such is the case; the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of Globe Investment Trust P.L.C. accept responsibility accordingly.

# Bundespost to raise DM30bn for E German phone network By Katharine Campbell in Frankfurt last year from several appli-cants for a licence for the West

BUNDESPOST . TELEKOM, West Germany's state-run tele-communications group, plans to raise DM30bn (\$17.7bn) from the capital markets over seven years beginning in 1991 to help rebuild East Germany's dilapi-deted phone system.

lated phone system.

Mr Christian Schwarz-Schil-Mr Christian Schwarz-Schilling, the post minister, unveiled the DM55bn programme yesterday before the West German cabinet. Investors, nervous at the mounting costs of German reunification, have already pushed real interest rates in West Germany over 6.5 per cent.

over 6.5 per cent.

The market took these new data calmly. A functioning communications network is regarded as a crucial early step for the recasting of the East German economy, and an investment of this magnitude

investment of this magnitude had been expected.

Mr Schwarz-Schilling yesterday announced a package of shorter term measures for this year, together with the longer term DM55bn programme aimed at bringing the East Germans up to the standards of the Bundesrepublik by the

The impending dis-missal of about a

quarter of Brazil's fed-

eral employees by the

government of Presi-

dent Fernando Collor

de Mello (left) has run

into angry opposition.

may be hard hit

Housing and education

end of 1997. East Germany recently agreed to bring its telephone charges close to West German levels in the near future. Telephone connections between the two countries are currently sporadic at best and rely on just a few hundred lines. Data transmission on the sub-standard lines is virtually impossible.

Some 23 per cent of East Ger-many's public switching equip-ment is over 55 years old, and only 7 per cent of households have a telephone, compared with 98 per cent in West Ger-

many.

The post minister said he would be granting one extra licence allowing private sector involvement in the digital mobile phone network, but gave no further details. The postal service is already operations of the postal service is already operation. ating its old C-network in the East, and intends to spend another DM110m on improvements this year. How soon the

chosen company could start operating is unclear.

A consortium led by the engineering group Mannes-mann, selected at the end of

that private satellite systems should be on offer as soon as possible, as these could offer a speedy improvement of voice and data transmission services,

and data transmission services, before the ground connections were in place.

• East Germany needs more than DM200bn to keep its cars and trains rolling, East German Transport Minister Horst Gibtner said, Reuter adds from Manisch He told reporters after a con-ference with West Germany's state transport ministers that the money was necessary just to modernise the country's

poor roads and railways. West German banks go east, Page 2

DOLLAR New York close FFr5.64 (5.828)

DM 1.6770 (1.67) FFr5.6375 (5.615) SFr1.414 (1.408)

STOCK INDICES FT-SE 100: FT-SE TUO: 2,371.2 (+1.5) FT Ordinary: 1,903.4 (-4.0) FT-A All-Share: 1,169.51 (+0.1%) FT-A World Index: 145.82 (+0.2%) New York close DJ ind. Av. 2,895.30 (+1.74) S&P Comp 359.10 (+0.63)

MARKETS

New York close \$1,7220 (1.7213) \$1,7240 (1.7205) DM2.8900 (2,8725) FFr9.72 (9.68) SFr2.4375 (2.4225) Y265.5 (264.25) £ index 90.8 (90.4) COLD

Londo \$348 (347.75)

Czechoslovakia: Prague reformer fends off Havel attempt to sack him .... US forces pace: Washington wants barriers to export of services lowered ... Teak forests threatened: Burma's unique teak reserves are vanishing .....

misleading public .... Editorial comment: Encouraging Mr de Klerk; A policy for part-timers ..... Economic Viewpoint: European monetary policy - Spare us a 13th ..... The 1992 single market: End in sight for EC

Stock Markets ....-London ......
Technology .....

M SEA OIL (Argus) Brent 15-day Aug \$15.725 (15.775)

\$ index 67.5 (67.8)

SFr1:4125 (1.4102) Y153.95 (153.53)

> Tokyo close: Y153,98 3-mo Treesury Bills yield: 8.00% (7.98) Long Bond: 102<sup>1</sup>2 (10233)

LONDON MONEY
3-month Interbank:
closing 1432 % (same)
Life long gilt future:
Sep 861g (843g)

New York: Comex Aug \$353.1 (351.8)

US closing rates Tokyo: Nikkel Fed Funds 814 % (82) 32,087.76 (+47.38)

CONTENTS

Management: "Green" advertisers accused of \_12

Brazil civil service cuts may

hit housing and education

....... 27-97 ...... 27-29

MR VACLAY KLAUS. Czechoslovakia's Finance Minister and the country's leading proponent of market reforms, has narrowly survived an attempt by President Vaclav Havel to sack him.
In discussions on forming a

Government following Civic Forum's success in this month's elections, Mr Klaus was offered the central bank governorship. This will become an increasingly powerful position, but was seen by him (and the President) as a demotion. he managed to beat off the move by playing strongly on his own good showing in the election, his popularity in the opinion polls (second only to Mr Havel) and the respect accorded his reforms by the International Monetary Fund, the World Bank and the world financial community.

However, the attempt lays

bare the deepening rift between President Havel and his advisers, and Mr Klaus and those of his colleagues determined to press ahead with market reforms. The minister believes the President is being steered away from the harsh effects of the reforms - including price rises, unemployment and insecurity - towards a gradualist strategy which would try to retain some of the

This division is underlined by the fact that the Govern-ment and Civic Forum is a mixture of different kinds of dissidents: former Communists who were expelled from or who left the party after 1968, and anti-Communist radicals more inclined to the right.

However, Mr Klaus has strengthened his position by seeing off Mr Valtr Komarek, former First Deputy Prime Minister in charge of economic

reform, who has criticised Mr Klaus harshly, but who is unlikely to play an economic role in the Government. He also believes that that the finance ministers in the Czech and Slovak national govern-

ments may provide support. Negotiations on the new Government have been compli-cated by the union of Christian Democratic Parties' refusal to enter into a coalition with Civic Forum. Although the latter and its Slovak partner, Public Against Violence, command 170 of the 300 seats in the Federal Assembly, it needs the Christian Democrats' 40 seats to secure the required majority for constitutional change and electing a President.

However, the Christian Democrats are now likely to drop their objections to coalition, and Civic Forum leaders expect the Government to be agreed by the end of this week.

will issue today.

and his ministers.

The stoppage, of course, is meant to inflict a certain amount of pain on private sector employers, led by Confindustria, rather than the Government.

Although

Confindustria has undoubtedly provoked the unions by shut-ting down the engineering

industry's pay negotiations. the line of responsibility leads

partly back to Mr Andreotti

They have yet to offer any sign of acting on their commit-ment to reduce employers' wel-

fare costs. These are already

fare costs. These are already much greater than in any other European Community country. Higher welfare costs and extra taxes placed an added burden of L8.000bn (£3.8bn) a year on Italian employers' in 1988 and 1989.

If the general strike and sub-

If the general strike and sub-sequent industrial action in

the engineering industry

prompts the Government, at the very least, to freeze social costs, then Confindustria will

regard the present conflict as thoroughly worthwhile. Since

Mr Andreotti usually reacts to

gunfire by trying to buy the bullets, Italy will probably be spared really bitter unrest.

although the final compro-mises may not be accepted be

However, the employers say

they want more, rather a lot more, before they will contem-

plate completing the pace-sct-ting engineering negotiations and those that will follow in

textiles and other important

For more than a year Confin-

dustria has sought to prepare the ground for this pay round

with warnings about compet-tiveness and lectures on pay restraint. Last January, it

finally corralled the unions

into a weak agreement, but the best available at the time,

which committed them to bear

in mind both the need to reduce domestic inflation and

to improve industry's interna-

tional competitiveness.

But if the Government is

until the autumn.

industries.

# Trade gap widens in France

FBANCE'S foreign trade deficit deteriorated in May for the second month in a row, largely reversing the implausibly sharp improvement in the early months of the year, writes Ian Davidson in Paris. The trade deficit rose to FFr5.7bn (£590m) in May, com-pared with FFr4.4bn in April, in seasonally adjusted terms, according to provisional figures published by the customs service. This compares with a deficit of FFr800m in January and FFr10m in February.

The deficit is trade is indus-

The deficit in trade in industrial goods, long a subject of anxiety, chalked up a further sharp deterioration to FFr7.12bn in May, compared with FFr6.95bn in April. if the surplus in arms exports is excluded, the civil industrial trade deficit rose to FFr9bn in May, compared with FFr8.7bn in April, FFr5.5bn in March and FFr8.8bn in February.

Charges brought FRENCH public prosecutors have brought insider dealing charges against two more people involved in the failed 1988 stock market raid on Société Générale, the privatised comparated hank writes William

mercial bank, writes William Dawkins in Paris.

They are Mr Jean Fouresu and his son, Jean-Claude, both directors of Finances Capital, a fund management and secu-rities group, both implicated in a case which is being seen as a test of the French authori-ties' attempts to clean up the

stock market. The move follows charges brought last week against Mr Jean-Charles Naouri, former chief adviser to Mr Pietre Bérégovoy, the Finance Minister, and Mr Jean-Pietre Peyraud, a Trancier, in convertion with weakened coalition

THE TIME to strike in Italy is when the country has a weak Government, which is not necto express dissatisfaction with the fruits of their negotiators The ever present fear of the essarily all of the time. But the Cobas phenomenon was one reason why the confederations growing feebleness of the coalition led by Mr Glulio andeffectively walked away from reotti, and its manifest inabilthe January agreement by tabling demands in engineer. ity to find responses to severe national problems, is the essential background to the call for ing and elsewhere for 40 per a one-day general strike next month which Italian unions cent pay rises over three years. Pressure from below for such

> The planned strike is intended to hurt the employers, but government failures are the main cause. writes John Wyles

increases was largely of their and the Government's making. Ministers have conspired with the unions this year to breach the Government's own pay policy - designed to help curb the public sector deficit -which would have kept pay rises in public administration and services to 21 per cent over three years.

Agreements signed Just before this May's local elec-tions should yield around 29 per cent and will widen further the gap in average pay between public administration and private industry which last year stood at 16.3 per cent in favour of the government

employee. Having concluded, correctly, that the unions cannot deliver under the present rules, Con-findustria says they must be changed so as to yield more predictable wage and produc-tion costs. The industrialists yesterday formally withdrew from the scala mobile wage indexation system (which cov-ers wages against about 40 per cent of actual inflation). They did this to have a bargaining counter later in the year when they will press the unions either to pass wage bargaining largely down to company level, or to concentrate it at national level.

Present bargaining at both-levels, says Confindustria, is causing unacceptable wage drift which last year pushed up unit labour costs by 7.7 per cent, compared with 4.5 per cent in the UK, 2.4 per cent in France, I per cent in the US and zero in West Germany. The result is falling profit margins and declining market shares for some stallan exports

in EC countries. The impact on the balance of payments, says Confindustria, is being masked temporarily by a boom in new Far East markets.

# lliescu gives promise to keep Romania on democratic path

By Judy Dempsey in London and David Buchan in Brussels

MR ION ILIESCU, who was yesterday sworn in as President of Romania, pledged to keep the country on the road to democracy and to end what he called its moral decay.

But doubts about the leader-

ship's commitment to democracy were expressed yesterday by the European Commission which said that most of the Group of 24 western aid donors would follow its lead in propos-ing Romania should be excluded for the moment from their assistance programme. Speaking after his inaugura-

tion in Bucharest's Atheneum concert hall, Mr Hiescu remained unapologetic about his decision to call in miners to crush anti-government demonstration.

"Accusations that the authorities would have brutally repressed a peaceful anti-government demonstration and suppressed the opposi-tion are not only irrational, but also lack any basis in

**EC** rebuff

over motor

Community motor insurance directive ended in failure yes-

party motor cover - but refused to grant Bonn the two-year breathing space it

had been seeking. The fiercely contested direc-

tive is a relatively small step towards breaking down the national barriers which

inhibit cross-border business

The Commission's original

plan to bring motor insurance fully into line with the rules

of a previous non-life direc-

tive had to be modified when

several states argued that

cover claims would have

Notwithstanding the com-

promise, Brussels sees yester-day's agreement as a symbol

of its determination to press ahead with plans later in the

year for providing a true sin-

gle market in insurance ser-

Others, however, see Bonn's stance as an indication of the difficulties which lie

ahead in prising open the heavily regulated West Ger-

 The ministers also reached a common position on the Second Life Directive, which

allows companies to sell life

insurance to individuals con-

tacting them on their "own initiative." Although political

agreement had been reached

on this issue last December, final adoption had been held

up by the European Parlia-

Bulgaria to request

Bulgaria is seeking to post-pone payments of principal on its \$10.3bn (£6.09bn) foreign

debt until 1993 but will con-

tinue to pay interest owed,

Prime Minister Andrei Lukanov said yesterday, Reuter

A delegation headed by Mr

Veselin Rankov, president of

the rescheduling with a consortium of foreign banks.

Bulgaria would continue

with interest payments on the

debt, Mr Lukanov stressed.

reports from Sofia.

debt rescheduling

man market.

in insurance.

being sold.

account.

for Bonn

insurance

By Tim Dickson

in Brussels

fact," Mr Iliescu said. But he admitted that there had been some excesses. "We unequivocally dissociate ourselves from all actions that went beyond a legal frame-

At least six people were beaten to death, scores injured by the miners and the security forces and over one thousand

Mr Iliescu, who called out the miners and workers to quash anti-government demonstrations, last week thanked the thousands of miners for coming to the Government's

The US boycotted the inau-guration ceremony but the European Community sent ambassadors on the grounds that Mr Illescu was elected in a relatively fair and free election. Mr Frans Andriessen, the EC external affairs commissioner, sterday said it was up to the EC executive as the designated aid co-ordinator to propose

new candidates for inclusion in the programme at the July 4 meeting of ministers of the G24 countries. He said he had decided

against inviting Romania to the meeting as a major politi-cal signal that the EC could not accept the measures by which the Bucharest authorities had put down demonstrations last week.
Contact with Romania will

be maintained through the dispatch of an EC fact-finding mission to the country. Mr Andriessen said this might take the form of diplomats from the three EC countries which form the past, present, and future presidencies of the Hard road from revolution, Page 23

• Ion Iliescu (right) sur-rounded by supporters after being sworn in as Romania's first elected president yester-



# Swedish commercial TV moves step closer

THE LEADERS of Sweden's ruling Social Democrats agreed yesterday that commercials can be shown on the country's television, but they did not specify in what form or on what channels they should be allowed writes Robert Taylor in Stockholm.

Mr ingvar Carlsson, the A LAST-DITCH effort by West Germany to delay the impact on its market of a European prime minister, said the party executive's recommendation would go to this September's party congress for its approval.

Three years ago the rank and file threw out the proposal for commercial television in terday. EC Internal Market Ministers meeting in Luxembourg agreed a "common position" on the measure — enabling companies and other large organisations to shop within the Community for thirdreden when they last met in

But Mr Carlsson said opinion inside the party had now swung in favour of commercial television. The main reason for the lack of opposition to the idea stems from the dramatic impact made by commercial satellite television broadcasting to Sweden since 1988. A growing number of Swed-ish television viewers now

have access to a wide range of extra-terrestrial television channels. The existing two public television channels in Sweden have lost viewer rat-ings as a result. All Sweden's main political parties are now ready to accept the introduction of commercial

television into the country but they differ on how it should be

The exact form that comm cial television will take in Sweden will be decided by parliament. Mr Carlsson said he hoped there would be broad cross-party support for the proposal that will emerge eventually from discussion.

• Progress has been made in the 19-year-old dispine between Norway and the Soviet Union over demarcation of a 155,000 sq km area in the strategically

The main conflict is whether

the existing state channels should show commercials or

whether a new third channel will be required and organised by a new television company.

Sea, Mr Jan Syse, Norway's prime minister, said yesterday without giving details, writes Karen Fossii in Oalo.

Meetings between the two countries to settle the dispute

were last held in March when the Soviet Union signalled a greater understanding for Norway's standpoint on the issue. The Soviet Union has favoured a boundary along a line following the meridian due north from the western edge of the Soviet coastline, while the Norwegians back a line equidistant from each country. The latter follows the 1958 Geneva Convention and the 1982

## weak, so are the unions. Above financier, in connection with the raid on Société Générale. all, they are beset by nascent rank-and-file movements, They were earlier named by the French Justice Ministry. United Nations Law of the Sea unpredictably and disruptively

Bank tills ready to ring out as the big battalions march in The West German institutions will be crossing the border in force on Sunday July 1, writes Katharine Campbell

HE FIRST of July, when the D-Mark becomes legal tender in East Germany, just happens to be a Sunday. Normally a commercially sepulchral day in which the sunday in Germany, this particular Sunday, in East Berlin, Leipzig or Dresden, will ring to the tune of tills dispensing coveted D-Marks. The banks have decided to open at the earliest oppor-

even large company risks should be controlled by the tunity.
For West German institutions, authorities of the country in which the insurance was awarded full banking status from July 1, it is the culmination of It was eventually agreed months of careful preparations. Whatever the technical hurdles, the lure of the nascent East German that the "host" country would, for an intermediate period, be able to control the insurance company's techni-cal reserves, and that 100 per cent of the assets needed to market, is proving irresistible. Though each bank says it will be content with securing the same mar-ket share as in West Germany, most are elbowing frantically for more. to be deposited in a local Not content with a regional presence, the Bavarian banks are building a country-wide network. Westdeutsche Landesbank, the strongest of the regional public sector banks, has stolen a march on its rivals by

an association with the East German foreign trade bank. Meanwhile, the three largest

banks are eyeing each other ner-

vously as they weigh into the race. Deutsche Bank, the biggest of all, says it will open with 130 branches with more than 7,000 staff. Dresdner, making the most of ties with its birthplace, will have some 90 branches and a complement of 4,000 staff. Commerzbank will start with just 15-20 branches, some 15 mobile buses, and between 300 employees -though it aims for 50 branches by

the end of the year.

Commerzbank's initially more modest presence reflects its decision to follow an independent path. Deutsche and Dresdner took a short cut via joint ventures with the Deutsche Kreditbank, the commercial arm of the old state banking monopoly. Deutsche garnered the lion's share of buildings and employees( 118 branches and nearly 7,000 employ-

ees) - and would probably have aimed for more, had not the cartel authorities voiced concern.
Dresdner, meanwhile, says it
would have preferred the independent route, but describes its complement of 3,500 state bank employees

and 62 branches as a good compro-Deutsche's initially commanding



THE CHALLENGE OF UNITY

presence could, however, prove a presence could, however, prove a mixed blessing. The Kredithank branches vary greatly in size (the smallest being station klosks) and all are in desperate need of repair. Kredithank employees have no experience of handling retail customers, let alone familiarity with the simplest western banking products.

Their former job was to distribute Their former job was to distribute credits, according to central plan, across East German industry, and

half were employed in the paper-in-

extensive training programmes, it will be a long time before they are as productive as their western counter-The roughly 7,000 new staff on

tensive payments system. Despite

The roughly 7,000 new staff on Deutsche's payroll will be an appreciable cost even though bank employees, mostly women, were poorly paid, even by East German standards. Already the unions have secured a 40 per cent wage rise, and it is expected that wages will catch up with western levels relatively mickly.

Commerzbank, meanwhile, is initially staffing itself exclusively with West German employees. Like other banks, it is paying them a supplement of 20 per cent to move or commute weekly to East Germany. But a test advertisement in East German newspapers which produced 6,000 applicants convinced the bank that the "personnel question was solu-ble" according to Mr Axel Rüdorffer, managing board director in charge of East Germany.

With more than 80 per cent of the country's savings in the existing savings network, the banks' first task is to lure away as many customers - and cheap deposits - as they can. Commerzbank and Dresdner have said they will offer free current account services for the first year, though after that they plan to charge for them as they do in West

Meanwhile, the East German savings banks feel neglected by their western counterparts. Plans to reconstruct the East German savings system have become entangled in a long-running dispute about the future of the three-tier system in West Germany.

While the co-operative banks have smoothly arranged western help, the West German savings and regional banks agreed only this week to set up a central institution to provide essential assistance.

But the trickiest decisions will be on the credit side of the halance sheet. Here smaller companies, new and old, look the best bet. Because of continuing confusion about property rights in East Germany, it will be hard for West German banks to secure collateral against loans. Hence, credit judgments will have to be largely based on character assess-

Mr Rüdorffer has at least one yardstick. "Anyone who was smart enough to get round the Communist system, with 95 per cent tax raise and a limit on private companies of ten employees, should survive under capitalism too," he says.

capitalism too," he says.

Even though the large state-owned to the form of the Kombinate are being gradually privatised, they present a substantial credit risk. All have serious short-term liquidity problems, and West German banks are insisting that they will lend to them only if they are protected initially by a government guarantee.

ernment guarantee.

Beyond that, it will be up to the bankers to judge which companies can survive in an open economy. Deutsche, Dresdner and West LB hope their East German pariners will provide valuable local know-

ledge. But the enthusiasm of Denische and Dresdner for these new-found relationships is tempered by their determination to avoid taking responsibility for the DM120bu (£45.6bn) of dubious industrial credits extended by the East German banking system under the old regime

# Nato ponders how to re-order the ranks By David White, Defence Correspondent

PROPOSALS FOR changing

the menu of Nato's forces from a "layer cake" to a "current bun" were spelt out yesterday by a senior Allied commander. The terms apply not to com-bat rations but to the organisation of troops in Germany. These are grouped in eight national corps areas stretching west from sections of the East-West German and Czechoslovak-West German borders. General Hans-Henning von Sandrart. Commander-in-chief Allied Forces Central Europe, told a Royal United Services Institute conference in London that the existing "layer cake" arrangements could be adapted to reduced troop levels. but only in a transitional period. Retaining it would be of questionable military use and would give "the wrong

the Bulgarian Foreign Trade Bank, is visiting Lon-don on Wednesday to discuss political signals." Nato needed to move to a concept of highly flexible, mul-tinational forces. Although stationed forces would be smaller, the structure needed

to provide operational mobil-ity inside and outside the cen-tral region, and to be acceptable to the German public. A possible formula might involve a covering or "guard force" comprising elements from all the region's nations, with a "rapid reaction" force grouped behind it, able to provide quick support. This could also be multinational, he said. Further back would be ranged "manoeuvre forces." These would be national or joint groupings, relying on reservist reinforcement but with permanent "field units" around which forces would form.

As seen on the map, these

"concentration areas" would be the "currents" in the bun. The general said studies were still at an early stage. He emphasised that the structure would depend on having mod-ern, high-technology equip-ment and that "major steps" had to be taken so that different countries' forces could

Soviet ambassador to East Germany, cautioned the Christian Democrat-led coalition governments in Bonn and East Berlin yesterday against exerting outside pressure on the "2 plus 4" negotiations on German unity. Mr Shikin was referring to the decision this week by Bonn and East Berlin to hold all-German elections in December. The two Governments assumed that by this time the talks between the harmonise earlier separate two German states and the proposals from the three this time the talks between the

MR Gennadi Shikin, the new four Second World War allies - which resume at foreign minister level in East Berlin tomorrow — would be completed.

The ambassador's comments

were echoed in London by the East German foreign minister, Mr Markus Meckel, who also announced a joint East German-Polish-Czechoslovak proposal for pan-European security institutions. This plan, which Mr Meckel said was intended to

governments, calls for a "Council on Security and Co-operation" to be set up by this autumn's summit of the Conference on Security and Co-operation in Europe (CSCE). It would, he said, involve a council of foreign ministers twice a year, with monthly meetings of ambassadors and a permanent secretariat, to be based in Prague. Under this would be two

Soviet warning over early all-German elections

"centres": one for confidence building measures, arms control and verification, located in Berlin; the other "for

the prevention of conflicts and their peaceful settlement, and non-military areas of CSCE co-operation", the location of which he did not specify.

Mr Meckel, a social democrat, said he now accepted it was not realistic to delay the first all-German elections beyond December or, at the latest, January. But he repeated that in his party's view a later date would have been better "for Germany and for Europe". He feared that negotiations on the external

aspects might not be completed

in time and that the united Germany might find itself either a member of both alliances, which would be "absurd" or still subject to the residual rights and status of the four victor powers.

Mr Shikin also disclosed that Mr Eduard Shevandrads: the Mr Eduard Shevardneshe, the Soviet foreign minister, was considerir in invitation from Mr Jan. Baker, the US Secretary of State, to the ceremony tomorrow removing Checkpoint Charlie the US-controlled crossing point between East and West Berlin.

# West Berlin wants to scrap its blockade stockpile

NO LONGER an island in a menacing communist sea, West Berlin wants to scrap the huge and costly stockpile of emergency supplies kept for 40 years in case of another Soviet blockade, Reuter reports from West Berlin.

lift and ordered a build-up of a permanent supply stockpile as a precaution. În 1989, a democratic revolu-Red Army forces cut off all tion toppled surrounding East land routes to West Berlin in Germany's Communist govern-

1948-49 to try to force the western allies out of the

enclave city. The allies broke

the siege with a 10-month air-

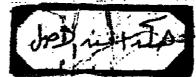
about their garrison mental. When November 1989 came

ment, breached the Berlin

Wall, launched the two Ger-manys towards union and left blockades would be inconceivable," said Mr Gerhard Erbe, a senior city official. An Allied West Berliners wondering military spokesman declined to comment.

splitting up Nazi Germany. What is now Rast Berlin and East Germany originated as the Soviet zone. Talks between the Allied

became obvious that further security under a 1945 pact



When November 1989 came around and it became stunningly clear that Germany was on the way to unification, it

**EUROPEAN NEWS** Vaclav Klaus will keep Finance portfolio in new Czechoslovak Government Italy's unions put Prague reformer fends off Havel attempt to sack him the boot into a

# ons put

John Wyles

# coalition EC moves to curb car imports

The Japanese have hinted

that they are willing to accept a "transition period" of restric-tions on exports after 1992, but

they were annoyed yesterday

that this concession could be abused by EC members to

impose tight and indefinite

restrictions on imports from There are deep fears in the

Japanese car industry that the EC members will introduce

long-term quotas on imports from Japan after 1992, while congratulating themselves on allowing a relatively free circulation of an increasing number of vehicles produced in Europe by Japanese companies.

You have to look at the dif-

ferent interests involved.

Britain supports free trade of

cars made in Britain, but doesn't necessarily support exports from Japan," one com-pany official said.

Car industry officials said that they await with interest the possible announcement of an "absolute number" of Japa-nese cars allowed to be sold in

Europe and a clearer definition of the proposed five-year tran-

The European Commission hopes that a "basic arrangement" can be discussed with Tokyo by the end of the month,

but Japanese government offi-cials insisted yesterday that the EC ministers' agreement was a violation of the General

Agreement on Tariffs and Trade.

MOTOROLA has won a

reprieve from a court injunc-tion which for a few hours on Tuesday forced the company to halt production and shipments of its flagship microprocessor

chip product.
The Federal Court of

The Federal Court of Appeals in Washington DC granted Motorola's request for a stay of the lower court's order late on Tuesday.

The stoppage threatened to disrupt production at dozens of computer plants which use the 68030 microprocessor, available only from Motorola, as a key component in per-

as a key component in per

sonal computers and workstations.

on Tuesday morning by a judge in Austin, Texas, in a ruling on a patent dispute between Motorola and Hitachi

of Japan. The judge found that both Motorola and Hitachi had

infringed upon each other's

The ruling banned both companies from making or selling the disputed semiconductor

products in the US. Motorola

which had estimated 1989 sales of its 68030 chip at more than \$100m, had far more to lose from the court order than Hitachi, whose H8/532 micro-

controller chip is not widely sold in the US.

Later the same day, how-ever, the appeals court suspended the injunction,

pending an appeal in the patent dispute. Motorola said

it had until tomorrow to file a formal appeal. Negotiations between the companies were

The episode will shake the confidence of computer companies dependent upon single.

suppliers for key components.
Motorola's difficulties may

also make other US semiconductor companies less inclined to file patent suits against competitors. Such suits have become a commontactic among US chip makers aiming the maker

to win royalty payments from foreign competitors.

Chinese sign

leasing deal

Boeing B737s.

\$450m aircraft

By Kleran Cooke in Dublin

GUINNESS Peat Aviation, the aircraft leasing company based at Shannon in the Irish

Republic, has signed a \$450m

contract with an offshoot of CAAC, the state-owned airline

of China, for the lease of 10

The aircraft will be put into service with China Southern, a

new airline based at Guangzhou in southern China.
As part of the contract GPA
will purchase 10 Boeing B737-

200 aircraft at present in service with CAAC. GPA says that this is the first time

that this is the first time. China has acquired new aircraft on operating lease. Up to now China has purchased its aircraft for cash or through long term bank financing.

The contract is believed to be the first time CAAC has

be the first time CAAC has "rolled over" part of its fleet.

CAAC will operate the new aircraft on a 10-year lease

By Robert Thomson in Tokyo

JAPANESE car makers and government officials yesterday criticised plans by the European Community to restrict car imports from Japan as "transplant" production in the Community increases.

Mr Yutaka Kume, president of Nissan, expressed concern that Japanese cars could fall into a single category, regardless of whether they were man-mactured in Europe. "We are doing our utmost to

increase local content levels in our plants. Is it fair to regard these cars produced in Europe as the same as cars exported from Japan?" Mr Kume asked. Toyota said that any agree-ment on car sales should be in accordance with the the princi-ples of "EC unification and the growth of free competition, but the company would not comment in detail on the EC

move. EC trade ministers have agreed a common approach to adopt in talks with the Japa-nese whereby imports from Japan would be increasingly curbed as production rose from Japanese plants in the Commu-

nity. Yesterday Mr Frans Andriessen, the BC external affairs commissioner, pledged to do his best to get by the end of July a deal with Tokyo on future growth of Japanese car sales in the Community, once national import curbs operated by several EC states disappear

## **Court lifts** Renault Motorola salesmen output ban look east By Louise Kehoe By William Dawkins

RENAULT, the French state-owned car maker, has recruited 200 dealers in East Germany, in by far the most ambitious marketing effort yet there by a non-German motor

group.

The dealers met for their first sales and training conven-tion in Berlin this week and are expected to sell at least 8,000 cars this year, mostly the mid-range Renault 19, the biggest selling foreign car in West-Germany. Renault expects this nearly to double to 15,000 by

"We have been interested in the possibilities of East Ger-many since before the fall of the Berlin wall last year. I believe the market will climb very quickly because there is strong pent-up demand. It could temporarily level out later, but there is structural growth there," said Mr Paul Percie du Sert, Renault's vice

president for sales.
At current rates, Renault executives estimate the East Germans will buy more than 250,000 cars this year, a big increase on the 170,000 sold in 1988, as they seek to replace their primitive Trabants. Renault estimates the market could expand to more than 400,000 vehicles a year by the mid-1990s.

Opel, the West German sub-sidiary of General Motors, and Volkswagen already manufac-East Germany, where they plan to produce at least 150,000 vehicles a year. Peugeot, mean-while, is exploring dealerships there for the diesel versions of its 205 hatchback and 309 saloon, while Fiat, Mitsubishi and Mazda are also studying

East Germany. Renault will train the dealers, selected from more than 400 Trabant repair shops by Renault's Berlin regional office, set up last January. They have no sales experience, since they were not allowed to sell vehicles under the former regional vehicles under the former regions.

socialist regime's monopoly of the car industry. Until recently, Renault sold only a few hundred cars in East Germany, through Intershop, the state controlled dis-tributor which sold western products in exchange for hard currency. Its new dealers have orders for 5,000 vehicles.

The Finnedal Times (Europe) Led Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiofletistrase 54, 6000 Frankfurtam-Main 1: Telephone 069-75980, Fax 069-722677; Telex 416193 represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London Printer. Frankfurter Societaets-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1990.

egistered office: Number One, South-tark Bridge, London SEI 9HL. Com-any incorporated under the laws of against and Wales, Chairman D.E.P. gund and Wales, Chairman: D.E.F.
mer, Main shareholders: The FinanI Times Limited, The Financial News
aited, Publishing director: B. Hughes,
aited, Publishing director: B. Hughes,
Tel: (01) 4297 0621; Faz. (01) 4297
29. Editor: Sir Geoffrey Owen,
nter: SA Nord Ecksir, 15/21 Rue de
ire, 59100 Roubaix Cedex 1. ISSN:
SN 1148-2753. Commission Paritaire
Acreece.

Pinancial Times (Scandinavia) Oster-gade 44, DK-1100 Copenhagen-K. Deumark, Telephone (61) 13 44 41. Fax

# **WORLD TRADE NEWS**

# Japanese attack | EC urged to be more flexible in Gatt talks

MR Renato Ruggiero, Italy's
Trade Minister, is urging the
European Community to be
more flexible ahead of next
month's critical Uruguay
Round negotiations in Geneva.
Mr Ruggiero condemned the
"silly debate" over farm subsidies, and called on all parties
to adopt a "new spirit of practical compromise".

do not fail because of a theological debate, as we had in
Paris (at the recent OECD ministerial meeting) between our
selves and the Americans."

Mr Ruggiero's remarks are
important because Italy
assumes the Presidency of the
EC on July 1, and because of
the cat and mouse game being
played out between the EC and

He said: "When you see the problems in Geneva you see it is not impossible to find this necessary compromise. We must be sure that negotiations

assumes the Presidency of the EC on July 1, and because of the cat and mouse game being played out between the EC and the US over negotiating posi-tions on the key issue of farm

trade reform.

Washington is not only sticking to its demand that global

farm supports be dismantled by the end of the century but appears to be trying to put sure on the EC to single pressure on the EC to single out for separate discussion the EC's "trade distorting" export subsidies.

Community foreign ministets, by contrast, affirmed their backing for the EC's so called "global" approach though dip-lomats close to the meeting said particular concern was expressed by Italy, as well as by the UK and the Netherthe Paris impasse. Mr Ruggiero suggested in his briefing that the EC needed to talk about tinuing to take the "overall price" into account.
While the US and Cairns

group can be expected to exploit any differences of emphasis within the member states, they are also pinning their hopes on a more flexible approach inside the Commis-sion from Mr Frans Andriessen, the EC's External Rela-



# US presses case to lower barriers to export of services

pace in the Uruguay Round negotiations on the liberalisa-tion of world trade in services. Over the last 10 days it has sent to the 12 members of the Euro-pean Community and to 25 other countries detailed lists of barriers to US exports of services which it wants to have removed or lowered.

The lists cover 17 sectors, including financial services, telecommunications, construction and civil engineering, advertising, accounting, man-agement consulting, tourism and broadcasting.

Banking and securities mar-

kets have not been touched but recipient countries have been told that additional lists for these sectors will be sent in two

THE US has started to force the pace in the Uruguay Round port have been targeted but negotiations on the liberalisation, so far, aviation and shipping, areas which important lobbies in the US want to exclude from the Uruguay Round talks.

In each sector the Americans have physointed specific barri-ers. Examples include restricers. Examples metude resuscitions preventing users of circuits leased from telecommunication authorities from offering umused capacity for sale to third parties; government subsidies for exports of construction services; and a government ban on foreign investment in adver-

tising agencies.

By its latest move, the US is trying to precipitate a request-and-offer process, under which governments will negotiate

bilaterally reciprocal marketopening concessions, although agreement has still not been reached on a general frame-work of principles and rules to govern the \$600bn-a-year ser-vices trade

Representatives of US services industries, who visited Geneva last week, emphasised that the US Congress was unlikely to ratify an international control of the control of tional agreement on trade in services unless it provided for real cuts in trade protection.

Mr Richard Self, the US negotiator on services, said yester-day that the US lists aimed at achieving serious bilateral negotiations on substantive luctions of barriers by the

If an initial set of liberalising measures were not in place by the end of the Uruguay Round in December, the US would be "less interested" in having a services framework, Mr Self

Washington's attempt to hustle governments into negotiating hard deals has aroused misgivings. Some trade officials noted that the US move goes further than the instructions given by trade ministers at their mid-term review of the Uruguay Round in December, 1988 that countries should submit lists of "sectors of interest

However, US officials argue that the target date for submis-sions of May 1989 has long

months before the end of the Round the need for urgency has

Greater controversy is likely to centre on some of the targets for liberalisation contained in the US lists. The EC, for instance, is being asked to open up its market for audiovisual services. Last year the EC decided to limit imports of US and other non-EC television

programmes.
Significantly, when the EC tabled its blueprint for a General Agreement on Trade in Services (Gats) on Monday, EC officials said they would put forward later drafts of annexes, to modify the application of the general provisions to some sectors, including audiovisual ser-

# Davy wins aluminium mill order

By John Ridding in Seoul

DAVY, the UK engineering and construction group, has won a contract to design and supply technology and equipment for the construction of South Korea's first aluminium hot

rolling mill.

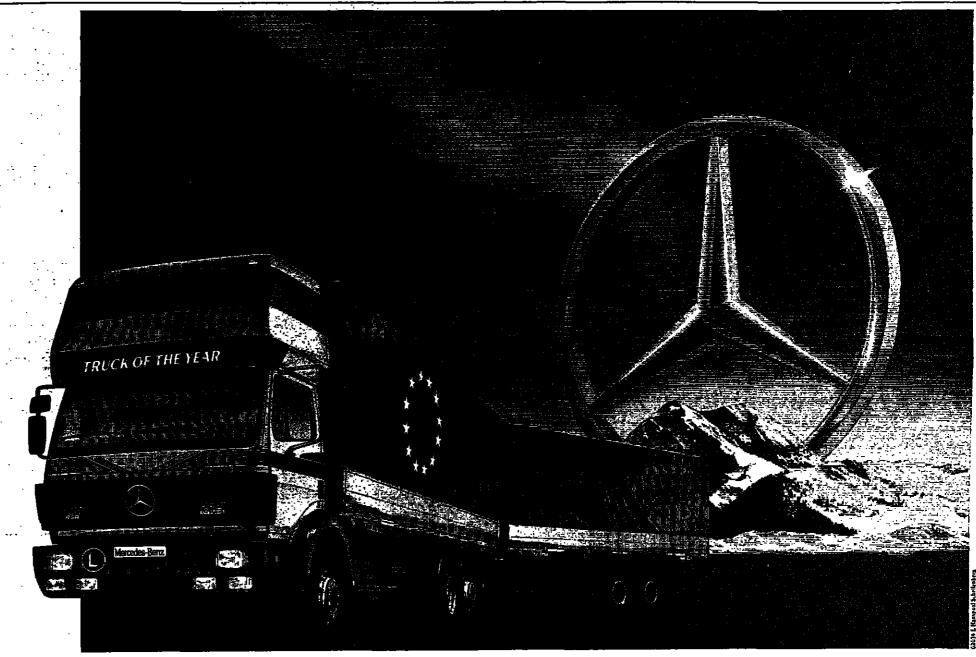
The \$101m contract was awarded by Aluminium of Korea, a subsidiary of the Hyundai Group, one of South Korea's largest conglomerates. Davy will receive about \$70m while Hyundai Heavy Industries, its consortium partner,

will receive the balance. The order takes to more than \$1bn the value of contracts won by Davy in South Korea. won by Davy in South Korea. It has won several substantial orders from Pohang Iron and Steel Company, the world's third largest steel producer, since the early 1980s.

Under the terms of the contract, Davy is responsible for the design, the supervision of construction and the supply of contract machinery for one hot

construction and the supply of certain machinery for one hot aluminium rolling mill and two cold rolling mills. According to Davy, the hot rolling mill includes its newest technology and is one of only four in the world to use a twing the colling of the colling terms. on the world to use a twin coiler — a more efficient system of rolling aluminium than the single coiler.

Davy defeated a rival bid by the Mitsubishi Group.



In 1955, it was considered a significant achievement if a commercial vehicle had run for 60,000 miles. Today, as a result of

safe, durable and efficient vehicles on the road. Of course, as profitable as owning a Mercedes may be, you'll find it equally pro-

> fitable to trade-in with its well-known high resale value. But we don't just have confidence in the quality of our pro-

ducts. We guarantee it - for 12 months with no mileage restrictions for the entire vehicle, 24 months or 120,000 miles for the power train. Fortunately, it is a confidence shared by operators. Which means, not surprisingly, you'll find the Mercedes name on the majority of trucks over 6 tonnes the world over.

And you'll hardly find a better endorsement than that.

Our concern for the future. As the largest manufa of trucks over 6 tonnes. we are keenly aware of our responsibility to the world around us. With a commitment to impovative research and careful design, we aint to ensure a clean and healthy future for all.

# **Setting the standards** in Europe.

ecologically sound engines (with emission considerably below EC standards) and service intervals as high as 45,000 km, Mercedes-Benz consider 600,000 miles quite normal. It is an immense leap forward, based on the strength of a hundred years' experience in automotive engineering. And we'll gladly divulge the secret of our success - advanced technology and high quality materials - in both design and manufacture - that produce the most dependable,

Mercedes-Benz Trucks and Vans

Committed to your success.

( amphyll

# Pentagon reveals plan for 25% cut in armed forces

THE Bush Administration has outlined plans for a 25 per cent cut in the armed services over the next five years, in response to a reduced Soviet threat and remote prospects of a land war

in Europe.

The Pentagon plan – the clearest official thinking to date on the future size of the US military – has been praised by Congress for paving the way for a new consensus on force structure.

Differences remain, however, as the plan's emphasis on preserving weapons programmes means only a 10 per cent cut in spending over the five-year period, with little savings expected in the current fiscal year. This is anathema to Democrats wrestling with the Budget crisis and the need to meet Gramm-Rudman deficit reduc-

Under the plan, about 600,000 civilian and military workers would be cut from the Pentagon's 3.1m payroll. Six activeduty Army divisions would be retired out of the present 18 divisions; 111 ships would go, cutting the Navy to 450 ships; and the Air Force would contain 72 aircraft.)
The cuts would save an estimated \$8.6bn (£5.08bn) over

But Mr Richard Cheney, Defence Secretary, is still push-



Cheney: making demands

ing for sizeable increases in funds for strategic nuclear weapons, new conventional arms and the SDI anti-missile defence system. As a result his proposal would only reduce the Administration's 1991 fiscal

fighter wings (each usually defence budget from \$303.3bn to \$302bn.

Democrats complain that Mr Chency is still hedging his bets as he did last spring when he unveiled what was billed as a wide-ranging aircraft review. In fact, almost all key weapons systems were either left intact or stretched out, rather than

Mr Cheney's response is that crucial agreements with the Soviet Union on strategic and conventional arms have still to

The cuts presented this week are only "illustrative" and assume the arms agreements are complete

He also said that a House proposal to cut defence spending to \$295.4bn would require a 35 per cent cut in troop strength, while the Senate budget committee's plans for a fall to \$293.9bn would mean cuts of

50 per cent.
Despite the jockeying for position, Senator Sam Nunn, the influential chairman of the Senate armed services committee, sald: "I think this means there is an emerging consensus on a force structure cut of

# Slow growth in US economy

THE US economy continues to grow slowly, with little change in the underlying inflation rate, according to the regular survey of regional business conditions prepared by the Federal Reserve before its poli-cy-making Federal Open Mar-ket Committee (FOMC) meet-

ing on July 2 and 3.

The survey, known as the beige or tan book, is likely to confirm the view of the econ-omy held by most of the Fed governors and regional bank presidents, which has led to no change in short-term interest

rates since last December. Mr Gerald Corrigan, President of the New York Fed, has said this week that the two key factors responsible for the rise in long-term interest rates earlier this year - namely con-cern over rising inflation and a stronger than expected econ-

omy - had been reversed. The Fed states: "Reports on

the behaviour of consumption are mixed and construction is indicated to be softening further. Capital goods industries are, on balance, pointing toward growth, and manufacturing is expected to strengthen in several districts

[large areas covered by regional Feds]."

The survey notes that retail sales have been slow, though "it is unclear how much of the recent softness in retail sales represents temporary factors,

such as unusual weather over the last several months." This pattern of slow growth has been accompanied by "an easing in demand for credit. Real estate, consumer and business loans are still growing, but at reduced rates in recent months. Lenders are reported to have tightened standards, especially for real estate loans, but there is still little information that suggests

IN AMERICA

Over 60,000 business customers

in the USA have chosen Cable

& Wireless Communications Inc

for their long distance telecom-

munications. Our digital system

spans the States from Coast to

credit restraint is spreading into other markets." This follows increasing complaints - most recently from Mr Robert Mosbacher, Com-merce Secretary, and Mr Jack

Kemp, Housing and Urban Development Secretary about a more general "credit Apart from property lending, the report notes only some impact on small businesses in some areas. The San Francisco Fed reports that "lending stan-

dards have become more stringent in recent months", and both Richmond and St Louis have referred to credit constraints for the first time. The Congressional Budget Office yesterday revised up its estimate for US economic growth this year to 2 per cent, from its projection of 1.8 per cent last January, but this is still less than expected by the

# Darman to seek deficit trim of up to \$50bn

By Peter Riddell in Washington

MR RICHARD Darman, US Budget Director, was preparing yesterday to put forward a package of spending and tax measures intended to cut the federal deficit by between \$45bn and \$50bn in fiscal year 1991, starting in October. This came as the six-week old budget talks entered their

crucial negotiating stage.
The package was expected to face immediate Democratic Party criticism, because it includes a \$170n cut in projected spending on entitlement programmes such as social security, Medicare for the elderly, Medicaid for the poor, military veterans' benefits and farm subsidies. This is \$5bm higher than cuts proposed in the Bush administration budget last January. Also, there would be a \$3.5bn cut in dis-cretionary domestic pro-

grammes.

Moreover, the suggested savings in defence spending are only \$20n to \$30n more than the \$3.20n cut put forward in January — a much smaller reduction than the Democrats have been urging.

The package includes the near-\$200n in new revenue.

near-\$20bn in new revenue and user fees proposed in the January budget, including a controversial cut in capital gains tax which would raise revenue receipts initially. The new revenues are not regarded as violating President Bush's promise to levy no new taxes. Mr Darman's plan involves modifying — by postponing the date of a balanced budget and excluding most of the costs of the savings and loans industry rescue – the Gramm-Rudman statutory tar-gets for reducing the budget deficit

## CORRECTION US thrifts rescue

AN article in the Financial Times of Tuesday June 19, entitled "Thrifts scandal casts a shadow over Washington", inadvertently referred to the costs of the US savings and loans rescue rising from \$73m to \$132m. This should have read: from \$73hn to \$182hn.

# Brazil winces under job slashing

By Christina Lamb in Rio de Janeiro

ON THE door of Room 204A of the Patent Office in Rio de Janeiro is a picture of a clenched fist, under which is scrawled:

The struggle continues."
Inside, Mr Gilberto Barata, president of the local branch of the Public Servants' Union, has been holding hot-tempered meetings all week to decide on action against impending dismissal of about a quarter of Brazil's federal employees.

As the first list of Patent Office dismissals arrived on Tuesday (10 per cent, but more expected), tempers rose among the workers, already on strike. "This will mean the collapse of the patents and trademark system," said Mr Barata. "We run the only patents information bank in Latin America. With the 20 to 30 per cent cuts, the Government has asked for, this will be impossible."

It is becoming clear that the government of President Fernando Collor is cutting on a numerical basis, without considering effects on services. "The problem is not that the state is too big or too small, but that it is run badly," said Mr Herbert de Souza, head of an independent social research unit. "It's like a doctor trying to cure a sick patient by cutting off 30 per

No one doubts that the bureaucracy, which last year ate up 25 per cent of GDP, needed reform, nor that the move is popular among the public, who see the civil

service as corrupt and inefficient.

But the decision in April to cut 360,000 jobs, to help reduce the fiscal deficit. seems to have been approached too hastily. New auditors were sent in to assess the various sectors but then hard-pressed ministers were given little more than a

So far, the office of Mr João Santana, Administrative Secretary and responsible for organising the dismissals, has received only 90,000 names, of which only 13,000 have been published, despite the a dead-line having passed on Monday. According to Mr de Souza, those released so far will mean the termination of housing and education programmes, as well as the closure

While the Agriculture Minister was proudly erecting a huge for sale sign outside the now-extinct National Cocoa Commission, he was keeping quiet about the fact that 400 technicians removed in Rio would mean the collapse of the food

inspection service. More than half the 6,500 staff struck off the ministry payroll are laboratory and field technicians, whose departure will end anti-malaria pro-

orani di Pro<del>pin</del>a

grammes Mr Barata complains: The Government has shown a criminal lack of responsibil-ity, first by deciding dismissals without technical criteria or discussion either with employees or users of the service. Then, they have not taken into account the effect on the social system. They are cutting health, educational and cultural programmes across the board. It is the port of

thing that should be done over several The delay in the announcement of the total cuts is partly due to a constitutional restriction, which means all those with five years of service are guaranteed life tenure. Many of those removed will remain on the public payroll, but on educed pay, a move the unions intend to

challenge in court. Talks between Ms Zélia Cardoso, Economy Minister, and union leaders broke down after the Government refused to sus pend the dismissals in return for an end to

# for new Cuban influx

A FLORIDA commission has issued a plan which outlines how the state could cope with a sudden change in the Cuban government and an influx of immigrants to southern Florida, Reuter reports from Tallahassee.

Mr Jorge Mas Canosa, com-mission chairman, told reporters he was confident that eastern Europe's shift towards democracy would eventually weaken President Fidel Castro's power in Cuba. The report, prepared by the Commission on a Free Cuba, aims to avoid the chaos and financial hardship placed on the city of Miami after the influx into southern Florida in 1980 of some 125,000 Cubans on small boats during less than

Experts believe a similar wave of immigration could occur if Cubans were suddenly free to leave their country to seek better jobs and family members in Florida.

The 19-page report outlined 25 broad proposals for state agencies to implement so as to avoid mass confusion in the event of sudden political

# Florida plans | Mexico 'to have \$1.6bn loans from Japan'

By Richard Johns in Mexico City

month to lists cuts.

JAPAN has agreed to extend development loans worth the equivalent of just over \$1.60n to Mexico, President Carlos Salinas de Gortari said before his departure from Tokyo after what appears to have been a successful four-day visit to

În a big public relations exercise aimed at lifting confidence in Mexic's economic future, the president told the National Press Club in Tokyo that his administration had received 30 Japanese investment proposals, concentrated in the auto-mobile, electronics, high-technology and tourism industries.

But none was specified. On the eve of his depature the total amount of credit being made available by Japan almost doubled from the \$815m initially announced by the Mexican Government - most of this sum to be devoted to

reducing pollution in the Val-ley of Mexico.

Apart from this official aid, the Japanese Export-Import Bank, according to the reliable daily El Economista, is to provide \$300m to support Mexican exports and another \$345m to finance an electricity generat-

ing capacity at Lázaro Cár-

denas on the Pacific coast in the state of Michoacan (site of the Sicarsta steel plant carmarked for privatisation by the Mexican Government, which hopes Nippon Kobe Steel will buy the plant).

That credit, the newspaper reported, would be complemented by one of \$145m from the Mitsubishi Corporation. At the outset of the presiden-

tial visit, the Mexican Finance Ministry announced that the Japanese Government had agreed to lend the equivalent of about £815m in aid, mainly for anti-pollution programmes especially the development of low-sulphur fuels.
At his news conference in

Tokyo, Mr Salinas was quoted as saying that it would only "a matter of weeks" before Mexican shares would be floated on the Japanese stock market. He was also reported as saying that the negotiation of a Mexican free trade agreement with the US, announced last week, would "provide greater

export opportunities for other Latin American countries". Mr Salinas left yesterday for Singapore, seeking greater trade and investment flows with Pacific Basin countries.

# Surinamese forces retake mining town

SURINAMESE troops recaptured yesterday the sast ern mining town of Moengo from guerrillas who had held it since October, the official Surinam News Agency (SNA) reported. Reuter writes from

Paramaribo. Civilians and soldiers were injured in the fighting and taken to hospitals in the capital Paramaribo, SNA said. It was not immediately known if anyone was killed.

The Dutch news agency ANP reported that the rebels had blown up the offices in Moengo of the Suralco bauxite mining company, a subsidiary of Alcoa. It also said machinery for loading bauxite was

damaged.

Troops had been advancing on Moengo, 60 miles east of the capital, for two weeks.

Bauxite and aluminium are Surinam's main source of for

eign exchange. The attack followed the arrest in French Guyana oa Monday of Mr Romy Brunswijk, the guerrilla leader who launched an upris-ing in 1986. French officials in Paramaribe said he had asked for asylum in the Netherlands.

# We've got connections in all the right places.

Cable & Wireless has specialised in international communications for over a hundred years. Today we provide unique high quality service in over forty countries. Spanning the world, Cable & Wireless's Global Digital Highway is linking customers in key financial and commercial centres.

# AROUND THE PACIFIC

Hong Kong Telecom's 18,000 employees provide one of the most modern telephone services in the world, with more than one phone for every two of Hong Kong's 51/2 million people. Cable & Wireless also has a major holding in IDC connecting customers in Japan to the world via satellite and cable.

# AROUND THE CARIBBEAN

Cable & Wireless operates local and international services in 14 Caribbean states, linking them by satellite and, via Bermuda, by fibre optic cable to the world.

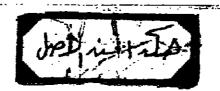
# IN EUROPE

In the UK Mercury Communications offers its customers a comprehensive high quality telephone and communications service. In 1992 Mercury Personal Communications will launch the world's first truly portable telephone system.





New Mercury House, 26 Red Lion Square, London WC1R 4UQ.



## :

# "Look me in the eyes and say you can't spare a few quid."

Forgive the bluntness, but we have a point to make.

James here is one of over a quarter of a million people who are registered blind or partially sighted in Britain.

Every day, he's joined by another forty.

That's tragic enough, but here's the bit that really hurts.

We could cure or prevent most kinds of blindness with one simple injection.

Of cash.

Surinamese

forces retal

mining tom

For those of you who find this a little hard to swallow, let us explain.

Moorfields Eye Hospital in London, (where James was a patient) is world famous for its success in the treatment of blinding diseases.

Surgical techniques that are now standard throughout the world were pioneered here.

Every year, 300,000 out-patients are referred to Moorfields, and for many of them, it's their last hope.

Three miles away in Judd Street is the Institute of Ophthalmology, Moorfields' research arm.

It looks like just another crumbling Victorian building in a street full of crumbling Victorian buildings.

Yet in the rarified world of ophthalmological research, it too is world famous.

The people working here have been responsible for some of the most important advances of recent years in the curing of blindness.

The technique of implanting plastic lenses to cure cataracts, for example.

The discovery that the puppy dog worm, toxocara canis, was blinding young children.

The connection between excess oxygen at birth and the incidence of blindness in premature babies.

The invention of the first diode 'suit-case' laser.

Not to mention countless surgical



procedures now being used at Moorfields. Even as you read this, they're on the

verge of more breakthroughs.

But sadly, that's where they'll stay

But sadly, that's where they'll starunless we can raise £42 million, fast.

For the building on Judd Street is now too small, too badly-equipped and too far away from Moorfields to do the job properly.

Although the Institute's reputation attracts the world's top eye specialists, there's nowhere to put them.

Some are working in corridors, most are using obsolete equipment and none of them have adequate laboratory and workshop facilities.

Worst of all, they're separated from

the very people they're trying to help by three miles of London traffic.

The solution is simple, but expensive.

Move the Institute to a new building, on a site right next to Moorfields, where there will be plenty of room for all the offices, labs, libraries and lecture rooms.

Fill it with the most up-todate equipment.

Staff it with the right number of trained technicians.

Found new Chairs in Molecular Genetics and Cell Biology. In Developmental Neurobiology and Inherited Retinal Disorders.

Then let the researchers get on with it.

The result will be a centre of excellence into the prevention and curing of blinding diseases that will be the envy of the world.

And a source of fresh hope for people who are fresh out of it.

The Duke of York, our patron, has recently launched The Fight For Sight Appeal to make all this possible.

If you'd like to know how you can help, send us the coupon below.

If you'd like to contribute, send us your cash.

(Or ring our Credit Card Line on 071 383 0528 if you're an Access or Visa holder.)

A few quid or a few thousand quid, it all helps.

And maybe one day, someone like James will be able to look you in the eye.

With thanks.

If you'd like to know now y	ou or your business ca
help The Fight For Sight	t. please complete ti
coupon (or attach your bus	•
•	micss card) and schu
the address below.	(BLOCK CAPITALS PLEA
Name	1
Company	
Address	
/Mdfcss	
PostcodeTel No_	
•	
Send to: Fight For Sight (Sp	
Judd Street, London WC1H	19QS.
Telephone 071-383 0528.	
· ·	
THE EIGHT END	CICUT ADDEA

THE FIGHT FUR

# Tokyo promises a | Cash-starved regime courts an ecological disaster monopoly laws

THE Japanese government yesterday admitted that it had not been tough enough in enforcing anti-monopoly laws and promised that violators would now face possible crimi-nal charges and more severe

Fair Trade Commission (FTC) officials said that the government hoped to change public perceptions about monopolistic activities, which have been targeted by the US as a "structural impediment" to trade. And Mr Shin Hasegawa, the Justice Minister, yesterday proposed a joint prose-cution agency with the FTC to make prosecution under the Anti-Monopoly Law easier. The FTC said there was pro-

vision under the existing law for criminal prosecutions but there was a general perception in Japan that anti-monopolistic activities should not be seen as criminal. "We want Japan to know that these activities could be a crime, and we want the procedures of the law to be transparent. This is really a major change for us," a senior

FTC investigator said. In the post-war period, criminal charges have been laid only once, when the Petroleum Association of Japan and 12 oil wholesalers were charged with forming an illegal cartel in 1974 in the wake of the oil cristandards, suits could be filed if there is reasonable evidence that a cartel exists to fix prices, restrict supplies, apportion market shares, or to rig bids for tenders. Prosecutions could also be filed if companies continue to

But the FTC announced yes-

terday that under the new

breach regulations after receiving an FTC order to comply with the law. In the past, the FTC has settled most cases with a simple warning or, if that was ignored, a second warning, and, in a few cases, has itself imposed relatively small fines on offenders.

Last year, the FTC investi-gated 270 cases, 169 of which were found to involve a breach of the law, resulting in an FTC order to stop the illegal activ-ity. In 1988, 180 cases were investigated, and 95 warnings

Justice Ministry officials said that tougher fines should be imposed on violators. At present, a retailer ignoring repeated FTC orders could be fined a maximum of 1 per cent of sales over the period of a cartel's existance.

The government's announcement appears intended to coincide with the preparation of a final report for the Structural Impediments Initiative (SII) talks on trade, due to finish at

# China project

in Taipei

THE Taiwanese Government has persuaded Mr Wang Yong-Ching, chairman of Formosa Plastics, to suspend plans to build a \$7bn (£4.14bn) petro-chemicals complex in main-

Taipei feared the core of try would move to China if Formosa. Taiwan's largest conglomerate and a bellwether of the country's petrochemicals

industry, invested there. Confidence in Taiwan's investment climate plunged when Mr Wang began negotia-ting in earnest with Chinese authorities early this year. Taiwanese businessmen argue that investing in China would boost faltering low-technology industries and provide funds to

Although Formosa has reportedly bought land in Fujian Province for the petro-chemicals complex, Mr Wang who is in Peking, has repeat-edly said he would not build it without Taipei's approval.

# Blasts on **US** warship

Late last night, one sailor was still missing after the explosions, which Japanese government officials said were caused by a faulty catapult launching mechanism. There was a small protest last night outside the vessel's home port

The Midway, about 125 miles north-east of Tokyo when the accident happened just after noon, was on its way to a joint military exercise off northern Japan. A fire broke out after the explosions, but Japanese defence officials were told by US officials last night that the blaze was extinguished and the vessel was due back in port today.

Japanese media reports o friction under the Security Treaty, signed in June 1960 after a review of a post-war defence agreement.

# France presses for talks agreement in Lebanon

By Lara Marlowe in Beirut

MR François Scheer, director-general of the French foreign ministry, held talks yesterday with Gen Michel Aoun, Christian military leader, Mr Samir Geagea, Phal-angist militia leader, and Maronite patriarch Nasrallah Sfeir. In a departure from previous

French policy, Mr Scheer is said to be seeking uncondi-tional acceptance by Gen Aoun of the October 1989 Taif accord on Lebanon and the presidency of Elias Hrawi. Mr Scheer's visit to Beirut immediately fol-lows a failed peace initiative by

The four-and-a-half month conflict between Gen Aoun and the Christian militia has left more than 1,000 Lebanese Christians dead and nearly 3,000 wounded.\_

Monsignor Pablo Puente, papal nuncio in Lebanon, succeeded in getting a ceasefire in the inter-Christian war on May 26, but violations have been frequent. In two days, at least six people have been killed in the Christian enclave. In March, Mr René Ala, non, proposed a plan whereby Gen Aoun would have left the presidential palace at Baabda, repealed his "dissolution" of the Lebanese parliament of November 4 and joined President Hrawi's government. The new, enlarged government would then have "re-exam-

ined" the Taif peace accords.

Monsignor Puente recently
attempted to gain acceptance of proposals similar to Mr Ala's. But President Hrawi and Mr Selim el-Hoss, the Prime Minister, rejected the Vatican plan because the Taif accords could not be "revised".

It was found difficult to see

how Gen Aoun, who has for long heaped abuse and artil-lery shells on his enemies, could sit with them in cabinet as deputy prime minister. Mr Scheer met Mr Hrawi, Mr Hoss and Gen Emile Lahoud, commander-in-chief of the Lebanese armed forces, before yes terday's meetings with the leaders of the Christian enclave. The French official is

expected to go to Damascus to

consult Syrian officials before

tougher stance on Burma's huge teak forests are being destroyed in exchange for foreign funds, writes Roger Matthews

BURMA'S unique teak forests, source of more than 70 per cent of the world's reserves, are being cut down at the rate of 1.25m acres a year, according to recent satel-lite surveys. If felling continues at this rate the country's teak stocks will be exhausted within 15 years.

The area cut each year has increased more than five-fold since the creation of the State Law and Order Restoration Council (Slore) in September 1988. Faced by an interna-tional aid ban for its brutal suppression of pro-democracy demonstrations, Slore has exploited Burma's natural resources as its primary

source of foreign exchange.

Burma has been famed for its teak for decades and had, until 10 years ago, followed strict conservation procedures. These policies have now been abandoned

Forestry experts are shocked by what they describe as the reckless inroads made into the 19.7m remaining acres of hardwood forests and by the serious long-term ecological damage which will follow.

International companies are playing a central role, especially those from

Hong Kong, Japan, Singapore and Taiwan China is extracting timber in the north while Danish and Italian companies also have a presence.

But the most important relationship is between Burma and Thailand.
On November 26 1988 General Chatichai Choonhavan, Thailand's Prime
Minister, revoked all logging licences in his country following floods in the south which cost 350 lives and more than \$120m (£71m) of damage. Massive deforestation was blamed for the

Less than three weeks later, despite widespread international revulsion at Slore's human rights violations, General Chavalit Yongchaiyudh, then Thailand's army commander, led a team of officers for talks in Rangoon. The most obvious result has been more than 40 three-year logging concessions awarded to That companies. Many of these companies have close family links to military officers and to

ing coalition. Visitors to logging areas in Burma say that some of them are ripping out trees without supervision or concern

politicians who form part of the rul-

Under forestry regulations set down under British rule as long ago as 1891 and followed until recently, 15 "seed" trees must be left standing on each 2.5 acre area logged. These trees are usually the biggest and can be up to 120

Since last year they are also the trees that are being cut down first. With the current price for best quality teak close to \$5,000 a cubic metre, the largest trees can be worth up to \$75.000 each. The logging companies are also

ignoring regulations protecting trees on hillsides where the gradient is 30 per cent or more — one of the causes of the Thai disaster — or within 50 metres of streams and rivers. Damage is being compounded by a contract awarded to a Singapore com-pany which allows it to saw up the stumps of trees. Regulations demand

that a stump two feet high must be left; if correctly treated, stumps begin to throw up shoots after rains and agam provide ground cover.

However, the Singapore company has found that wood from the stumps is superbly grained and it has devel-oped a profitable venture exporting

teak parquet flooring to the US. Legislation is currently before the US Con-gress which would ban the import of teak originating in Burma.

Without the tree stumps a wasteland is being created, with vast areas of the country, especially along the border with Thailand, being devas-

orestry Department officials in Burma appear to be powerless. U Ba Thwin, the director general, has been to Bangkok for talks with his opposite number but with little effect.

All concessions are now awarded by Myanmar Timber Enterprise, set up last year and headed by General Chit Swe, a member of Slore and the minister responsible for agriculture. The change was made as part of the regime's purported policy of economic liberalisation and private sector

Myanmar Timber announced yesterday it was revising the fees which it charged 30 Thai logging companies. Charges for teak would climb from \$150 a "ton" to \$350 a "ton" with smaller rises for other hardwoods

Burma's rulers show their hand

tions, which were crushed by

troops. This suggests an

indefinite ban on public politi-

cal meetings.
In addition the army would

not be challenged on what

Gen Saw Maung termed its

basic duties: preventing disintegration of the nation and

national solidarity and defending national indepen-

dence and sovereignty. wording would seem to allow the army to intervene in any

some time.

(under Burmese practice a ton is

equal to 1.8 cu m).

Although That companies have complained over the increases their operations should remain highly profstable, with an average tree of 5 cm metres worth close to \$25,000. The new tax payable to Burnat wants amount on average to just \$1,756 a

Burms is virtually the only country left in the world exporting tesk loga Overseas sales have soared from 62,000 cu m in 1977 to whood 200,000 cu m last year. This is in sharp contrast to other hardwood producing countries in Asia, such as Indunesia which have banned exports of all logs to develop their own higher val-

ue-added industries. Forestry experts fear that unless the Burmese regime can be persuaded to reverse its present logging policy while developing its own wood-processing industries - the long-term damage to the country's economic and ecological future could be severe. world, Burma can ill afford to squan-

As the ninth poorest country in the der its few natural advantages. New Zealand forestry sell-off, Page 34

# Taipei halts

By Peter Wickenden

upgrade operations at home.

Were the plant to be built in dies for the land, and a harbour for the company's exclusive use. Taipei now appears willing to provide the latter, if

By Robert Thomson THERE were two explosions

yesterday aboard the US aircraft carrier Midway off the Japanese coast, injuring at least 16 sailors, and embarrassing the US on the eve of celebrations to mark the 30th anniversary of the controver-sial Japan-US Security

the accident last night raised the possibility that the vessel

# army would not tolerate a repeat of the 1988 pro-democracy demonstra-India plans private role in power production By K.K. Sharma in New Delhi

THE Indian government will introduce legislation to allow

private companies to enter the electricity generation industry and offer incentives to speed the establishment of genera tion plants, Mr Arif Mohammed Khan, the Energy

Minister, said yesterday.

Power generation is the first area dominated by the public sector in which the Indian government is taking concrete action to encourage private sector participation. Although India has are some

privately-owned electricity generation companies – nota-

Anton Harber, editor-in-chief of The Dally

Anton Harber, editor-in-chief of The Dally Mail, South Africa's latest dally, celebrates its first issue yesterday, Philip Gawith writes from Johannesburg. But it was a celebration tinged with sadness at the memory of its predecessor, the Rand Daily Mall (RDM), which closed in 1985. Although editors have resisted labeling the paper as the rebirth of the RDM, others were less inhibited. Mr Arthur Chaskalson, a respected human rights lawyer,

kalson, a respected human rights lawyer, said "It is an important event in the life

of our country because it marks the rebirth of the Rand Daily Mail."

The Daily Mail is a daily version of the

bly a Tata company in Bom-bay – investments in thermal and hydro-electric plants have been made almost entirely by the central and state govern-ments in the last four decades. Mr V.P. Singh, India's Prime Minister, has recently spoken of a larger role for the private sector in improving infrastruc-ture facilities and has identified electricity generation and road building as two of the main areas which private companies will be encouraged to

Burmese student arrested in Bangkok yesterday for protesting outside the Burmese embassy

India suffers a nationwide shortage of electricity, mainly

because of the inefficient functioning of government-owned thermal stations. Power shortages, which seriously impede industrial and agricultural production, vary from 27 per cent in the north to 8 per cent in the west. The government plans legis-lation to enable private compa-nies to sell and distribute elec-

tricity to state electricity boards. in addition to new compa

nies, existing privately-owned units are to be encouraged to expand their generation capacity. Incentives for private com-

panies include an increase in the prescribed rate of return from the existing 12 per cent to 15 per cent, permission for large industrial houses to seek licenses for setting up power generation plants and access to funds for building the plants.

By Roger Matthews in Bangkok

THE tactics worked out by

Burma's powerful Directorate

of Defence Services Intelli-gence to prevent changes in

the country's power structure following the May 27 general election are gradually being

Despite the overwhelming

electoral victory scored by the opposition National League for Democracy and its political allies — they may control

nearly 450 of the 486 National

Assembly seats - the mili-tary leadership has listed the

issues on which it will not

General Saw Maung, who

heads the State Law and Order Restoration Council,

said in Rangoon that the

give way.

Mr Khan announced that the government had already approved policies to promote investment by the private sector in power generation. Legis-lation to enable private companies to sell and distribute electricity to state boards would be enacted within a few

## Iraqi Kurds executed says Amnesty By Victor Mailet

He added the 1947 constitu-tion under which Burma

gained independence from Britain was seriously flawed

AMNESTY International is urging Turkey to stop forcing Iraqi Kurds to return home, as hundreds of refugees who have

taken advantage of official Iraqi amnesties appear to have been tortured or killed. The London-based human rights group says in a study\* released today: "Reports suggest that in the past 18 months hundreds of Iraqi Kurds, as well as Assyrians, Arabs and Turkomans, who sought to benefit from official amnestles have since 'disappeared' in custody, were tortured or exe-

More than 55,000 Iraqi Kurds fled to Turkey in August and September 1988 to escape conventional and chemical attacks on civilian targets Amnesty says it is concerned about some 27,500 Kurds still in refugee camps in south-east Turkey.
According to reports

received by the human rights group, the Turkish authorities appear to have tried to force out Kurds by ill-treating them. reducing food and water sup-plies and allowing delegations of Iraqi officials to visit their

Iraq has granted five amnesties to exiles in the past two years, but the report casts doubt on their validity. In June Amnesty received a report that 30 Turkomans had been executed in January —

including four who returned from Turkey under the Iraqi amuesty arrangements.

Last year a member of the banned Kurdistan Socialist Party-Iraq testified that he had been detained and beaten after taking advantage of an amnesty to surrender to the

• The Kurdish Democratic Party of Iran claimed yesterday that its guerrillas had killed 45 Iranian troops and Revolutionary Guards in

anthorities.

Iran's northern mountainous region, AP reports from Baghdad.
\*Iraqi Kurds: At risk of forcible repatriation from Turkey and human rights violations in Iraq. Amnesty International, 1 Easton St, London WCIX 8DJ.

military intelligence will intensify efforts to undermine

and would have to be substan-

Again he warned that this

tially re-written.

would be a long and compli-cated process during which, Western diplomats believe and divide the elected leader-ship of the National League for Democracy. The less patient supporters of the League have, so far, been held in check.

matter it chose to. But if the military refuses to hold talks and does not release Aung San Suu Kyi, However, intervention would only become relevant once a new government was formed. Gen Saw Maung said he believed this would take the party's secretary general. from house arrest, public anger could again spill on to

The allegiance of ordinary soldiers, many of whom voted for the opposition, would then be tested.

# France eases debt burden for Africans

By George Graham in La Baule

PRESIDENT François Mitterrand vesterdav measures for African countries at the Franco-African summit meeting in La Baulc.

Four French-speaking middie income countries which have not benefited from previous debt cancellation measures will receive concessionary terms on their outstanding development loans from France, reducing their debt service by around FFr250m

The four countries - Camer oon, Ivory Coast, Congo and Gabon - owe a total of FFr12bn to France's Caisse Centrale de Co-opération Economique, at an average interest rate of around 10 per cent. The interest rate will be cut on all these loans to 5 per cent.

The measure, however, failed to meet some expectations. Since the four countries in question last year serviced only around a fifth of these debts. Mr Mitterrand's announcement is as much a recognition of reality as a real

At the same time, Mr Mitter-rand announced that future French aid to African countries with national income of less than \$500 a head would come in the form of outright grants. French structural adjustment loans, which this year will amount to around FFr1.2bn, will in future all come as grants, as will most project finance, which this year will total FFr2.1bn. Commercial sector projects with adequate profitability may still receive commercial loans.

Mr Mitterand also urged the

summit that African nations should create one or several common markets to provide wider outlets for their prod-

"Shouldn't you be seeking to unity your markets? Shouldn't you be seeking to harmonise your tax, legal and customs rules," he asked.

Mr Mitterrand singled out the French franc zone as a an area of stability in Africa, and

# categorically ruled out any devaluation of the CFA franc. Kuwaiti oil minister moves

Israel's foreign policy outline unlikely to placate any of its critics By Hugh Carnegy in Jerusalem

government, after 10 days in office marked by harsh words from friends in the West and belligerent state-ments from Arab enemies, has outlined a foreign policy which is unlikely to soothe any of its critics.

Ministers have emphasised the need

for peace between Israel and the wider Arab world to accompany any moves towards a settlement in the occupied territories, whereas Arab states and most western countries insist that the priority is to resolve Palestinian grievances.

Arab leaders believe - and Washington strongly suspects - that the

ISRAEL'S new right-wing Israeli approach is simply a ploy to government, after 10 days in office avoid dealing seriously with the Pal-

estinian issue. A decision by the Bush administra-tion to suspend the US dialogue with the Palestine Liberation Organisation - expected to be announced shortly because of last month's abortive seaborne attack on Israel by PLO-affiliated gunmen - would be a welcome break for Mr Yitzhak Shamir, the

Prime Minister. He flatly rejects any negotiating role for the PLO and has been bombarded with international criticism since his government won a vote of

Most striking was the blast from Mr James Baker, the US Secretary of State, who said: "When you are serious about peace, call us." This was followed by distinctly cool remarks from President Bush. Senior European Community officials have expressed grave concern about the new government, Syria has dubbed it "war cabinet" and President Saddam Hussein of Iraq has repeated his threat to attack Israel should any Arab state come under Israeli attack. The new government's response has

not been helped by the heart attack

suffered last week by Mr David Levy, the Foreign Minister, who is recover-

ing in hospital. This left the combat-ive figure of Mr Shamir as the chief articulator of the coalition's policy. He invited President Hafez al-Assad of Syria to come to Israel to talk peace. He and senior officials have seized on hostile Arab statements to back their contention that no plan for the Palestinians can proceed without parallel peace moves from the Arab

Weekly Mail, started in 1985 by ex-RDM staffers with capital of just R50,000 (£11,000) and a full-time staff of four. Despite scepticism over its prospects, and harassment from the state, the WM flour-timed proching a size of the wind of the state.

ished reaching a circulation of 30,000.

President F.W. de Klerk yesterday invited labour leaders to meet him after they had threatened to call nationwide

strikes to protest against a delay in repealing a tough labour law, Reuter writes from Cape Town.

The million-strong Cosata trade union federation has announced a national child for Tolka Hamiltonian

states. They point out that this was always part of the 1989 Israeli peace plan, upon which US founded its now stel-led attempt to promote talks between Israelis and Palestinians. "We emphasise this not because of arbitrary con-

siderations but because we really believe that if there is goodwill from the Arab states, it will be helpful for solving the problems of the Palestin-ians," says Mr Yossi Achimeir, Mr Shamir's private office chief.

to intervene to end attacks on union sup-porters by the conservative, Zulu-based

Inkatha movement in Natal province.

Mr De Klerk, after a lengthy cabinet session, invited Cosatu leaders to meet

session, invited Cosatu leaders to meet him and Mr Kli Louw, the Manpower Minister, in Preturia next Tuesday.

The black unions had agreed in May with the main employers' body to submit joint proposals on the laws, which restrict the right to strike, to the government. Both sides were surprised when Mr Louw and lest weak that the legislation would

said last week that the legislation would

not be immediately repealed, because

some companies had objected.

Mr Achimeir said the government would try to persuade Washington from its insistence on picking up where the process left off in March. Then the coalition between Mr Shamir's Likud and Labour collapsed over Likud's refusal to respond positively to questions from Mr Baker on the composition of the Palestinian delega-tion. Likud said they presaged back-door involvement of the PEO.

KUWAIT'S oil minister was shifted to the finance ministry, Kuna, the official news agency, said yesterday, Reuter writes from Kuwait. Sheikh Ali Khalifa al-Sabah, an advocate of moderate oil prices, was replaced by Mr Rashid Salim al-Ameeri, a professor of chemical engineering little known in

world oil circles.

Other members of the ruling al-Sabah family retained the foreign, interior and defence portfolios, according to Kuna

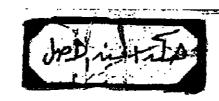
Sheikh Ali, 44, was oil minis-try for 12 years that marked the most turbulent period in the his-tory of the Organisation of

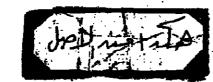
Petroleum Exporting Countries. He replaces an old rivel, Mr Jas-sim Mohammed al-Ehorafi, who as finance minister had often criticised what he termed Sheikh Ali's monopoly of Kuwzit's off industry. It was not clear if Sheikh Ali

would keep his job as chairman of Kuwait's Petroleum Corporation, a conglomerate he had built with a marketing network in Europe and elsewhere.

A friend of Sheikh Ahmed
Zaki Yamani, the former Santi
Arabian Oil Minister, he wanted

oil prices to stay low to encourage demand for Opec products.





isaster

Self-Leur Je Grand

their han

I rance eas debt burde for Africa

logger Matthess

Extracts from the Chancellor of the Exchequer's speech given in London

# Major's plan for monetary union

economic and monetary union should be determined by our view about the kind of Europe we want to see. Our vision is of we want to see. Our vision is of an open Europe: open to trade and investment; open too to new members from Europe, East and West...We should develop a form of EMU that permits them to join us and does not put up barriers against it.

The key is to build on Stage 1 further steps to promote convergence of economic performance, low inflation and stable exchange rates. And to do so by building up our infant com-

mon currency — the Ecu.

A first practical step towards this might be to encourage the use of the existing Ecu by issuing Ecu bank notes for general circulation in the Community. This would require a new insti-This would require a new insti-tution which I shall call the European Monetary Fund. The fund, acting as a currency hoard, would provide Ecus on demand in exchange for Com-munity currencies. This can be done in such a way as to avoid increasing the Community's total supply of money. To total supply of money. To ensure this, we would insist that the fund could only issue Ecu notes that were fully backed by its own holdings of the various currencies which make up the Ecu. So there would be no new money creation, and no threat to infla-tion. Interest rates on Ecu

By David White, Defence Correspondent

Ministry of Defence's procure-

ment chief, warned yesterday that reduced defence spending could lead to factory closures

and redundancies. He said, however, that it would be

"very foolish" for the Govern-

ment to try to keep poorly per-forming companies in busi-

ess. "We must resist any pres-

sure to award contracts to

those who do not present the best value for money," he told a conference at the Royal

United Services Institute for

SIR PETER LEVENE, the Defence Studies.

Ecu bank notes could provide a natural currency for tourists and business travel-lers. The idea could catch the popular imagination; and as notes came to be used more frequently it could help the

Under our approach, the European Monetary Fund which I have suggested would manage the hard ecu to ensure that, in the ERM, it stayed within its margins, and that at realignments it was never devalued. The EMF would issue ecu deposits or notes in exchange for national currencies. It would set interest rates on hard our latitud. on hard ecu. Initially, it would do this by setting rates on the interest bearing deposits it took, probably largely from commercial banks. Later on, as the private hard ecu market developed and commercial banks built up hard ecu depos-

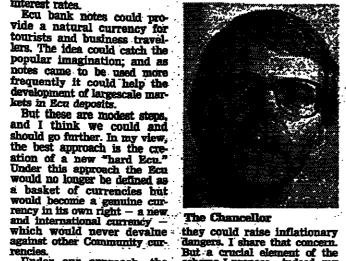
His remarks came after a senior investment banker warned that investors might be

"leaping to over-radical conclu-sions" following Monday's announcement of a 5600m cut in defence spending and called on the Government to make its intentions clear.

Sir Peter predicted that reduced equipment expendi-ture throughout Europe and the US would force more cross-border mergers between

arms manufacturers and per-suade more companies to leave

Defence chief's warning over job losses



dangers. I share that concern. But a crucial element of the scheme I propose indeed, my very reason for advocating it, is that effective safeguards could be built in to prevent this. So a key feature of the proposal is that there would be an obligation placed on all member states' central Banks to repurchase their own currencies from the EMF for hard rencies from the EMF for hard

currencies.
It will be noted that both these ideas for developing the ecu envisage the development of a new institution. We are not opposed to new institutions where there are new jobs that genuinely need to be done. And that is certainly the case here.
For not only would we be tion. Interest rates on Ecu its taken from the public, the deposits and loans would be determined, as now, by the determined, as now, by the weighted average of interest rates by the normal contracts and so the fund would play no role in setting led currency proposals is that is certainly the case here. For not only would we be looking at the job of managing the currency such an institution might usefully take on. These might include the tasks involved in managing the

the defence business.

He said Nato governments

national markets would be too small to maintain efficient pro-

He emphasised the need for

a wide supplier base in order to

foster competition, and said reliability would in future rank "on a par with performance" in assessing rival bids. Earlier, Sir Robert Wade-

Gery, an executive director of Barclays de Zoete Wedd, urged

ERM, and its financing facili-ties, including the functions of the central Bank Governors Committee and the existing European Monetary Coopera-tion Fund (EMCF) in this area. It might also take on the essential task of coordinating mem-ber states' intervention against external currencies: in particular, the dollar and yeu: By the end of Stage 1, all Community currencies will be members of the ERM and will share a community that the community is the stage. mon interest in the value of their currencies against the dollar and the yen. This coordination would not involve member states giving up part of their foreign currency reserves. Instead, intervention would be coordinated through the EMF, would would draw and reserve transhes of dollars. and repay tranches of dollars, yen and national currencies, as yea and national cultural as as necessary, from member states. Market operations, as now, would be carried out by individual national central

All these are key functions that will be vitally necessary in the world beyond Stage 1. It makes practical sense to have a new institution - an EMF - to

carry them out. (The proposals) will be con-(The proposals) will be con-troversial to some. But they are practical. They are progres-sive. They offer choice not pre-scription. But they evolve nat-urally from stage 1 and have the potential to evolve further. In time the ecu would be more widely used: it would become a common currency for Europe. In the very long term, if peo-ples and governments so choose, it could develop into a single currency."

the Government "to dispel some of the wilder ideas that should buy more equipment off the shelf from each other's industries, because individual are beginning to circulate" about future equipment cuts.
Sir Robert, a former senior security adviser to Mrs Margaret Thatcher, the Prime Minister, warned that this could leave too little industrial capacity to meet strategic

eeds. Disaffection by investors could hamper companies' efforts to diversify into nonmilitary sectors, their technology programmes and their chances in export markets. BRITAIN IN

**UK NEWS** 



# reveals strategy

Ford is seeking to accelerate at its Dagenham, Essex car assembly plant in order to close the gap between the UK operation and Ford's continental European plants. In a recent internal in a recent internal company memorandum to senior managers at the plant, written after discussions with Mr Harold Poling, Ford's US chairman and chief executive, Ford has repeated earlier warnings that "the survival of this plant depends totally upon achieving improved quality, reliability of supply and productivity."

The Dagenham car assembly

The Dagenham car assembly plant – as distinct from the much more successful
Dagenham engine plant — has
long lagged behind other Ford ıbly operations in

Europe.
Its production performance has improved significantly this year, however, and since January it has consistently met its output schedules for the first time in many years.

Ford began a radical programme last year to improve Dagenham's productivity and quality performance with the dec to move all production of the Sierra upper medium car range from the plant to its Genk, Belgium assembly plant, in order to reduce the complexity of the Dag production operation. lexity of the Dagenham

## Money supply still rising

Rising inflation and buoyant high-street spending are causing excessive growth in the money supply despite high interest rates, official figures indicated. The Bank of England said

of money consisting mainly of cash in ciruciation, grew at an annual, seasonally-adjusted rate of 6.9 per cent in May. The provisional figures show

that money supply is still failing to dip within the Treasury's target range band of 1-5 per cent.

## BP cuts price of petrol

British Petroleum is cutting British Petroleum is cutting the price of a gallon of petrol by 3.6p from midnight tonight. The fall in prices is a delayed response to the steep decline in international crude oil prices, caused by oversupply amidst a high level of production from the Middle East.

## Plan for pollution agency

Proposals to remove the troubled Pollution Inspectorate from Government control, turning it into an independent Civil Service agency are to be included in the policy document paper on the environment to be published in September. The Department of the Environment is considering the possibility of an eventual merger between the inspectorate and the National Rivers Authority the pollution watchdog for the water industry. Such a merger would create a powerful body

## Unit trusts show recovery

Agency.

which could evolve into soemthing similar to the US Environmental Protection

Unit trust investment showed a partial recovery last month from the gloomy figures of the previous two months, with net investment in May of

This compares with net investment of only £15.6m in April and disinvestment of £18.6m in March.

## Sky takes initiative

Sky television, the satellite broadcasting industry, has called for an all-industry meeting to solve the increasingly acrimonious row over news access to exclusive

sporting events. News access is the practice of allowing competing broadcasting up to two minutes coverage of a sports event for use in news bulletins.

## Beef exports still down

Britain's beef exports are still running at only half their anticipated level and overall sales are still down 20 per cent because of anxiety about "mad cow" disease, MPs were told. But the Meat and Livestock Commission, which represents the red meat industry, said there had been some recovery after the 25 per cent drop in May when concern over the

disease was at its height. Sir Simon Gourlay, president of the National Farmers Union of England and Wales, said he feared the emergence of a two tier market as farmers specified whether their herds were

infected with BSE. Mr Gourlay was giving evidence to the Commons Select Committee for Agriculture's all-day hearing at Westminster on the outbreak within Britain of Bovine Spongiform Encephalopathy (BSE), or "mad cow disease".

## Illness delays Guinness trial

There was no sitting in the Guinness trial yesterday because of Mr Ernest Saunders' need for further medical attention. He was suffering from sinus and bearing problems and was examined at Guy's Hospital. The trial is expected to continue today.

# Arrest in £292m mugging

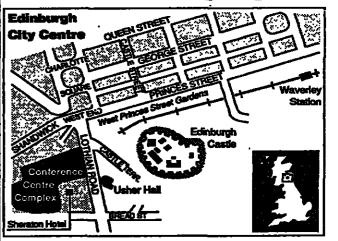
A further arrest was made yesterday in connection with the \$292m City mugging last month, in which a messenger carrying securities was robbed at knifepoint. City of London Police said a man was arrested dwing the afferment in a during the afternoon in a vehicle in Park Lane.

The man, who was not named and who will appear at Guildhall magistrates' court tomorrow morning, was found in possession of one of the stolen bearer securities, police said.

Other expects in connection

Other arrests in connection with the robbery have been made in Cyprus, where a man was arrested after attempting to cash some of the securities.

## Threat to Scottish capital plan



The fate of a large property development scheme in the centre of Edinburgh appeared uncertain yesterday amid speculation that Greycoat, one of the two partners in the project, was reject to the last The was poised to pull out. The scheme, to build nearly im square feet of offices and a 1,200-seat conference centre on a six-acre site off Lothian

Road, has been under discussion for several years. Greycoat, a London-based property company, is in a consortium named Edinburgh Development Group with Sheraton Securities, another property company, whose shares were suspended on April 20 as a result of a liquidity crisis.



# You don't have to be a fish to drink seawater

6 % of the earth is covered by water. Yet it's a tragic irony that 400 million people in countries bordering the sea still lack enough to drink.

Working closely with water authorities, Du Pont scientists have devised an ingenious way to convert seawater to drinking water.

The solution, the PERMASEP\* permeator, is based on a highly advanced hollow fine fibre for the desalination of brackish and seawater. Today our permeators produce some 2 billion litres of drinking water a day in over forty countries. Supplying millions of thirsty people with the one thing they most desire.

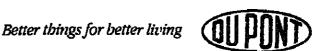
A fresh glass of water.

# Du Pont in your life.

PERMASEP is just one of hundreds of new products developed by Du Pont. Throughout the world, Du Pont innovation is not only enhancing lives, but actually helping to save them. Working closely with specialists in fields as diverse as agriculture, medicine, electronics and energy, Du Pont is bringing technology to life.

For more information about Du Pont contact: Du Pont de Nemours International S.A., 2 chemin du Pavillon, CH-1218 Le Grand Saconnex, Geneva, Switzerland. Tel: (41) 22 717 5946.





# EC drugs agency The issue that threatens Thatcher's grip on power plan attacked as potential disaster

PROPOSALS for harmonising European Community regulations for new medicines after 1992 have been severely criticised by Dr John Griffin, director of the Association of the British Pharmaceutical Industry and a former senior official at the Department of Health.

Dr Griffin said that proposals from the European Commission for approving new products were "a recipe for

The commission's ideas are to be published formally early next year and take effect from 1993. They centre on the establishment of a new European Medicines Agency which would work in collaboration

with national governments. Comments by Dr Griffin, who was a senior official on medicines regulation at the Department of Health until he joined the ABPI in 1984, will fuel the debate about the effects of the commission's proposals on western Europe's £25bn-a-year medicines indus-

The ABPI is the main trade association for the British drugs business.

Dr Griffin's main point that the new medicines agency will not have enough resources to work effectively - fits in with a more muted criticism of the commission's ideas from some leading officials at the

department.
Generally, the British Government has taken a positive line on the proposals, arguing that greater centralisation of licensing was needed. However, some civil servants

are worried that the new agency may not have enough scientifically qualified staff for throughout the EC.

This argument has yet to emerge publicly from the Gov-ernment. It runs against Mrs Thatcher's well-known dislike of new bureaucracies, especially European ones.

Licensing of new drugs in the EC at the moment is com-monly viewed as inefficient. Many new products have to be reviewed separately by the national drugs-approval bodies of the community's 12 mem-

Drugs registration is a vital part of the medicines industry, which is subject to complicated government rules aimed to ensure that new products are safe and cure people.

After 1992, the commission wants to institute an element of centralised approval by a new agency. This would have responsibility for certain new products based on entirely novel chemicals.

The basis would be that after one country had approved a product, all the others would abide by this decision, following the principle of mutual rec-The new medicines agency

body would arbitrate in the event of disagreement.

The commission's proposals follow on existing EC schemes based around a Brussels-based committee of civil servants which recommends on approval of some new drugs. Under the new ideas, the

committee would remain in force and be backed up by the new medicines agency with a staff of about 150. The committee's decisions, now advisory, would be binding. Dr Griffin said his main

objection was that the new agency would not have enough

Richard Evans looks at the story of Britain's controversial per capita local tax on public services

that can provoke a full scale riot in Britain, and local government finance is a very unlikely candidate. Yet the extraordinary unpopularity of the Government's community charge, or poll tax as it is usually known, has achieved

The sheer scale of the opposition to the tax has taken most people, including politicians, by surprise, although the prospect of profound unpopularity was always there. Any reform of local taxation is bound to spawn difficulties, if only because winners and losers are created and the losers

Nevertheless, the rioting in the spring in London's West End, the disturbances in many other towns, the resignation of Conservative members of local councils, and the slump in the Government's standing in opinion polls have all underopinion pois have an under-lined the acute problems the poll tax has brought Mrs Thatcher. It could yet be the issue on which she loses her grip on 10 Downing Street. The history of the poll tax showed that the replacement of domestic rates, which were

going to be easy.
Rates had big advantages as a method of taxation. They were easy and cheap to collect and difficult to evade. They also had a crude fairness in that people living in more expensive property in better neighbourhoods paid more than those living in run-down,

based on the notional rental

value of a property, was never

neglected housing.
There were also major drawbacks to rates, though. Too few shoulders carried the increasing burden of paying for local anomalies and distortions had been built into the system, and too many people were protected by extensive relates and subsidies from the true impact of the local spending decisions



Riot police face demonstrators in Trafalgar Square in March: Mrs Thatcher sticks to the principle.

So Mrs Thatcher launched what became an obsessive quest for a fairer alternative to the rates. The search began 16 years ago, in 1974, when the Conservatives said they would abolish the unpopular rating system once and for all. The genie was out of the bottle, but

finding an alternative proved to be fraught with problems. The poll tax formula was specifically rejected in a Government policy document in 1981, and as late as 1983 a policy document on rates reform argued that such a tax would be hard to enforce, expensive to run and over-complicated.

The warnings were there in plenty, but the search contin-ued. Matters came to a head in 1985 when Scottish Conservatives warned the Prime Minis-ter that there was an impending political disaster if no alternative to rates could be found in the wake of a recent property revaluation that had

By January, 1986, partly because all other alternatives such as local income tax had been rejected, the poil tax, given a change of clothes as the community charge, had become Conservative Party policy. By 1987 it was installed in the party's general election manifesto and hailed as the flagship policy of Mrs Thatcher's third term. With a Conservative major-

ity in the 1987 election of around 100 in the House of Commons, there was little doubt about its passage through Parliament, although continuing doubts were expressed by many MPs.

The initial attraction of the

poll tax in place of the discredited rates was that although it was brutal, it was simple: everyone in a local government area received the same bill per adult head: at least in theory. The argument went that every-one would have to pay something towards local services and people would know what they were paying for. In addi-tion, profligate Labour councils would be turfed out by appalled electors and prudent Conservative ones would receive their just reward through the ballot box.

It did not work out quite like that, however. When local

authorities had estimated the amount needed from the poll tax to meet their budgets, it turned out to be an average of £365 for each community charge payer in England and Wales, rather than the Government's estimate of £278.

This meant greatly increased local tax bills not just for those

drawn into the system for the first time, but for the majority. A rough but telling estimate is that 25m people lose from the introduction of the poll tax and only 10m gain. Hence the scale of the protests.

Moreover, the gainers have tended to be the better off with

central government grant and from the restructured uniform business rate.

The Government has ineleted that its local spending assessments are fair and accurate, but councils argue they are having to struggle with higher than expected inflation pay awards outside their controi, high interest rates, labour shortages, and the additional burdens of education reforms and extended social services. The gap this year between

their spending needs and the provision from central government has been unusually large. Ministors are resigned to continuing deep unpopularity over the poli tax this year, but they hope to recover lost ground next year. There were signs in the local elections last month, particularly in the key Conservative-held London bor oughs of Wandsworth and Westminster, that a low politax can be an electoral attraction, and Mrs Thatcher is now more determined than ever to stick with the principle of the

But there will be a lot more trouble shead. Thousands have threatened not to pay the tax, and there are signs that courts will be overwhelmed from now on for many stouths as local councils begin the tricky task of trying to prise the money out of the protestors by legal action. There are also likely to be emotional scenes of defiance the builds represent to take as the bailiffs move in to take goods and as pressure is put on employers to withhold a proportion of wages in lieu of the

poll tax A high-powered Government committee is studying ways of changing the tax to make it politically more palatable, and there is pressure for at least 23bn extra to be diverted into town hall coffers next year to ensure that poll tax levels are kept down. The outcome of the next election could depend on

# Bureaucracy in UK immigration criticised | BA invests £70m in Cardiff base for aircraft

By Alan Pike, Social Affairs Correspondent

POOR service from the Home Office Immigration and Nationality Department created "understandable suspicion" that bureaucracy tape was being used as an instrument of immigration control, the Commons Home Affairs Committee

In a report the committee critisised what is described as inexcusable inefficiency in the department. It said that the present average wait of 27 months for naturalisation applications to be processed

"The effectiveness and fairness with which the Immigra-tion and Nationality Department performs its work affects both the maintenance of good race relations within the

United Kingdom and Britain's standing in the world." Applicants for British citizenship, said the committee, should be given completion dates for their cases.

It called for the lifting of a freeze on staff recruitment in the department, improved

training and the use of experienced retired staff to help improve service.

Higher priority, said the report, should be given to computerisation in the Lord Chan-cellor's Department - responsible for immigration appeals
– and efforts should be made to reduce the waiting time for cases going to the Immigration Appeal Tribunal to four months. It is currently between seven months and a year. Mr David Waddington, Home Secretary, said his department would give the report detailed consideration "with the aim of reducing the delays it mentions as far as we can." The Home Office says that delays in citizenship applica-tions result from a large influx in cases at the end of 1987, when the entitlement of some

Commonwealth citizens to reg-

ister was ended.
This led to a large increase in the number of people applying for naturalisation, although the deadline did not

"westm

By Paul Betts, Aerospace Correspondent

BRITISH Airways is to invest £70m in a new aircraft mainte nance base at Cardiff airport creating 1200 skilled engineering jobs in South Wales.

Lord King, the BA chairman, confirmed yesterday the air-line's decision to build the new facility at Cardiff which will become the shiline's engineer-ing maintenance base for its fleet of Boeing 747 jumbo jets. The scheme is a considerable boost for South Wales which suffered wide scale redundancies in engineering during the

early 1980s. The new BA that Wales was an attractive investment has been compared in importance for the Weish economy to the decision of Bosch, the West German car components group, to establish its first UK manufacturing base in Wales last year. Mr John Smith, the Labour MP for the Vale of Glamorgan,

said the BA announcement was "the best news this area has had in ten years." Mr David Hunt, the Welsh Secretary, also welcomed the investment as a confirmation area for modern industry. "New projects are now filling in the gaps left by the run-down of our traditional industries of coal and steel," he

small families who used to pay

high rates, and the losers larger families in poorer

homes. It is basically a regressive tax because it takes no

account of people's ability to

The other difficulty has been

the transformation of an essen-

tially simple, flat-rate tax aimed at virtually every adult.

into a confusing morass of

rebates and exemptions for the less well off, and transitional

"safety net" provisions to help the worst hit local councils.

There has been a shoal of con-

cessions as pressure against the tax has built up, leading to

general confusion and uncer-

A further issue that has led

to furious in-fighting between

the Government and local

councils has been the method

used to assess local spending.

and thus the total required to

be raised from the poli tax. In all, a quarter of local spending is paid for by the poll tax, with

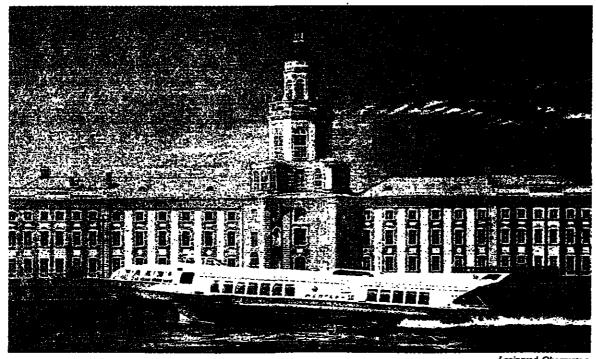
The BA investment will include the construction of a huge hanger to house up to four Boeing 747s on a 75-acre

The airline has been looking for some time at a number of possible sites in the UK and abroad to establish new engi-

neering maintenance bases. Cardiff's main rival was Liverpool's Speke airport, although BA has also been looking at Singapore as a possible long term maintenance base. Lord King said yesterday one of the major reasons for the choice of Cardiff was BA's

50 year old links with the area. BA already employs about 1000 people at its engine over-haul facility at Nantgarw, near Cardiff, which was recently extended at a cost of £40m.

# VISA AS EASY TO USE ABROAD AS AT HOME



Travel

Leningrad Observatory

Accepted in Russia and anywhere you travel. The world's most widely used card is welcomed in hotels and restaurants, for car hire or shopping.

confidentlyuse Visa.



Their findings show that Wardley Investment Services was ranked the top international equity manager in 1989 and was also ranked top over 5 years and second over 3 years among non-US based managers.

1,3 and 5 years.

But don't just take our word for it. Take a

look at BARRON'S, one of the most re-

spected financial journals in the United States.

April in conjunction with Nelson Publica-

tions, BARRON'S ranked the performance

of global investment managers over the past

In an annual survey published on 9

services to corporate and private clients from its offices located in all major financial centres worldwide. To find out how you can achieve top

performance for your portfolio, call Miles Buckinghamshire in London on 071 955 5050 or write to him at ;

The Wardley Investment Services

group provides comprehensive and

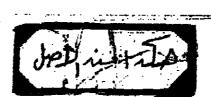
professional investment management

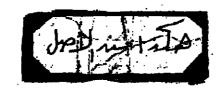
Wardley Investment Services

ranked top international performer

3 Harbour Exchange Square London E14 9GJ, United Kingdom.

Telephone: 071 955 5050 Facsimile: 071 955 5052





FINANCIAL TIMES THURSDAY JUNE 21 1990

MICHOLOGICA

power services

for aircraft

KIS

# TUSCANY

Evocative, lyrical, a landscape of pastel
softness infused with joyous poetry.
The ever-changing play of light on gently
undulating hills; delicate brushstrokes of fragrant
gorse and lavender. Gnarled pines,
vines and olive trees. An unassuming haven
of peace and harmony. Its mantle,
the immensity of the radiant blue sky.

# FLORENCE

Polished jewel of the Medicis, imbued with refined nobility and beauty; austerity and luminous clarity tempered by a gentle, graceful elegance.

Source of inspiration to Leonardo, Michelangelo, Raphael and Galileo. Loved and admired by Goethe and Stendhal.

A paradise of narrow lanes, delightful cafés and bustling life.

Spiced with the allure of seductive fashions and sparkling exuberance. A glorious pearl nestling in an enchanted land.



# CULTURE

Ageless glories of a golden past.
Art and architecture to
contemplate in wonder and awe.
Vibrant, vigorous and serene:
precious blossoming of a creativity
deep-rooted in its native soil.
Man's eternal quest
for truth and beauty revealed
as a celebration of the creation.
An affirmation of life itself.

# THE GRAND HOTEL

The splendours of the fifteenth century
preserved to the last detail;
lovingly restored in the original Florentine style
by a team of exceptional craftsmen.
Sumptuous rooms adorned with remarkable frescoes,
each a marvel of the artists' imagination
and restorers' skill. Precious brocade,
huxurious marble baths with lovely inlaid work.
Outstanding service and superb cuisine
embracing an impressive variety of international
and local specialities.
Situated right in the heart of the city on the banks
of the Arno, opposite the Excelsion.

## HOTEL EXCELSIOR

Gathering place of the cream of Florentine society;
second home to Artur Rubinstein, Erich Maria Remarque,
Charlie Chaplin and Orson Welles.

Luxurious restaurant, bar and frescoed hall
bathed in the warm radiance of period stained glass.

Dinner by starlight above the ancient city roofs
and the shimmering Arno.

Superlative style and elegance, just moments away
from some of the world's greatest
art treasures and most exclusive shops and stores.



# CIGA HOTELS

Austria France Italy Japan Spain The Netherlands United States

of science based com-panies has been founded in Oxford to keep industry abreast of innovation at the university.

The Oxford Innovation Society was formed by Isis Innovation, the university's own technology transfer company. The society includes such names as BOC, Cookson, IBM, ICI, Monsanto, Oxford Instruments and Sharp. Top research managers from the member companies will be briefed regularly by professors on the latest news from the university, which estimates that it is spending £21m a year in Government-

funded research grants alone. The society offers member companies a window into Oxford's innovation, as well as a chance to talk informally to professors about their ideas and industry's needs. "And it will help them with their recruitment," says James Hiddleston, managing director of Isis. "It's the personal contact that makes things happen."

In an inaugural address to the club, David Cooksey, a former Oxford metallurgist and founder of Advent Management, one of the venture capital companies backing Isis, urged British companies and academics to establish closer working relationships - as US industry and academe had done so successfully, he found.

Professors also need to estab-lish better relationships, says Hiddleston. His biggest venture. Oxford Molecular, has been forged from three Oxford research groups which, although aware of each other's work, were not discussing it with each other until Isis helped to develop one profes-sor's idea for a commercial

company.

Isis, less than two years old, was spawned by the Government's decision to free univer-sities from the British Technology Group's monopoly on Government-funded invention. It has applied for about 30 university patents and has been granted four so far.

The inventor receives the first £26,000 of any revenue, and further earnings are shared with Isis under a programme which offers "a better deal than anyone's got from BTG," Hiddleston claims. If a company is formed, the inventors are offered equity. "My job is to network the university and pick up their inventions. For biologists studying insect behaviour in the Department of Zoology, Isis polished the patent on an invention for arresting woodworm. It located university chemists clever David Fishlock visits a society that brings together British academics and industrial companies

# An invention to break the ice

enough to synthesise a com-plex compound and alerted industry, which best a path to

the new "mousetrap". Peter White, a zoology lecturer, and his colleagues have isolated the substance released by the female beetle to lure the male once it has eaten its way out of the timber in which it will have spent years gestat-

Field trials in a Hampshire church confirmed that their technique works. Now White is assisting Rentokil, the pest control company, with trials for a product he hopes will be ready to market next year.

It will be a "green product"
in which the substance is
"printed" on a sticky card, like
a flypaper, that will lure and

trap the beetle before it can breed. Hiddleston says he is seeking at least a 10 per cent royalty for his inventors, for a product he predicts "is not going to be price-sensitive."

Could they discover a similar technique for the death-watch

beetle? White admits that so far they have been unsuccessful because the insect seems to signal its presence by tapping and not by chemical messages. Control of dry rot is the spe-ciality of Sarah Watkinson, a lecturer in mycology in the Department of Plant Science. She has discovered an amino acid which the fungus treats as food, although it has no nutritive value. It acts like junk food, she explains, and can stop the rot spreading even where it is is hard to get at the

infestation. Watkinson has a "doll's house" of glass in her labora-tory, simulating a badly ventilated house, in which she can demonstrate that the fungus prefers her non-toxic junk food to its normal diet, and then dies of mainutrition.

BTG patented her control system in the early-1980s "but didn't do anything with it," she says. The patent has been re-assigned to Isis and has generated much commercial interest. She has an equity stake in a joint venture between Isis



and a firm of architects, which is currently conducting a field trial on a house. "If it works we hope we'll have something to market."

From the Department of Dermatology in the Slade Hospital, Oxford, Isis has discovered a way of measuring deep-body temperature that avoids inserting anything into babies. This "unbreakable" thermometer, little bigger than a coin, is based on an understanding of the relationship between skin and deep-body temperatures and how this can change, for

example during a fever. Eric Lamont Gregory, a US physicist, has already secured his advance on royalties through Isis, for an initial product based on liquid crystal display of temperature in words as well as figures. The neonatal thermometer is expec-

ted to be available soon through the Co-op and other large retail chains, priced at

less than £5. A second, elec-tronic version is being evalu-ated for use in incubators. Oxford Molecular is Isis's proudest achievement. Not only is the company up and running but it has broken new ground inasmuch as it is set up on the science campus adjoining the Department of Organic Chemistry – something never previously permitted in Oxford, the professors say. Oxford Molecular compiles

computer programs that can vivid generate three-dimensional images of molecular structure. Its founders include Graham Richards, an Oxford lecturer, and Tony Marchington, formerly of Oxford, who introduced ICI to molecular graphics. They first had the idea a decade ago but at the time there was no organ-isation such as Isis to help

them, Richards says. The scientific market they are pursuing is valued at £40m and is expected to grow to £130m by 1995. According to Richards, one aim is to exploit the excellent software being written by graduate students, which previously has been filed away at the back of their theses. He wooed Marchington from ICI in 1988 to be Oxford Molecular's managing director. They now have five products, 30 confirmed sales, and devel-opment contracts with such companies as British Bio-Tech-nology, Glaxo and Hew-lett-Packard. The company is equipped with about £1m worth of computers and has another 26 programs in devel-opment, scheduled for launch before the end of next year.

Other Oxford research still seeking sponsors includes two ideas in electronics, an indus-try which Hiddleston finds suf-ficiently troubled in Britain to doubt whether the domestic market will serve his ends.
John Foord of the inorganic
chemistry laboratory has been
funded by British Telecom to
show how purer films of semiconducting compounds can be made by chemical beam epi-taxy, free from the minuscule carbon inclusions that cause dislocations in the crystals and flaws in the chips. Carbon comes from the chemicals used as feedstock for the process. Foord and his colleagues have designed new chemicals, free from carbon, as feedstocks for making microchips of gallium arsenide and other compound semiconductors.

Optically scanned imaging radar is the invention of David Edwards of the Department of Engineering Sciences, who says its attraction is that it breaks no new ground techno-logically, but is a new combination of existing techniques. He believes it should take industry no more than six months to turn his laboratory demonstration into a demon

strator product. Edwards has assigned his dar to Isis. For this invention Hiddleston is planning an industrial "auction". His aim is to negotiate three things for Edwards: a licence agreement, a short-term development con tract to back up his research grant from the Science and Engineering Research Council and a consultancy with the

# Components join up in the welding forces

inear friction welding, which allows flat pieces of metal to be joined by rubbing and pressing them together mechanically, promises to simplify industrial join-

The technique offers new methods of designing and manufacturing components. including using linear welding in place of complicated mechanical attachments. Because linear friction welding requires no consumable items, such as filler wires, flux or gas and produces no fumes, it is more environmentally acceptable and easier to handle than conventional arc

It works by using friction to create the heat necessary for a perfect metallic bond at the interface between the metal, and welds the two pieces without melting them. A domestic analogy would be rubbing two blocks of butter together until

they fuse. Linear friction can be used to weld some of the toughest metals, including titanium. It can weld dissimilar metals, such as copper to aluminium, and stainless steel to aluminlum, according to the UK-based Welding Institute. The organisation is the UK centre for materials joining technology and is supported by 2,000 industrial companies and 4,500 individuals worldwide.

The institute is also part of

a consortium responsible for the development and produc-tion of the linear friction welding machine. The machine was built by Blacks Equipment of Doncaster and was commissioned by the institute.

Forge welding, the historic predecessor to linear friction welding, was at the heart of the industrial revolution 200 years ago. Metal was welded to metal by heating and hitting two metal parts together.
The new technique uses the

same principles, on a much finer, more controllable scale. It is suitable for welding small, mass production compo nents and can be automated to join flat, square or other cross sections of metals or plastics.

Previous friction welding processes for joining metals have been limited to orbital or rotational welding, where cylindrical or round metal components are rotated, brought into contact, heated and welded together. In rotational friction welding, two cylindrical components are each rotated swiftly to make the joint, a process unsuited to

flat, linear components. The cylindrical rods and flat tops of the valves on internal combustion engines are typical of the engineering products that could be joined using rotational friction welding. The principles of linear fric-

tion welding were devised in the 1960s, when Caterpillar Tractor filed a British Patent in 1969, describing a reciprocating linear mechanism for welding.
Allwood, Searle and Timney,

development and design engineers of Walsall, also hold several patents on mechanisms for performing linear and orbital motions in welding. The patents follow work in the 1960s by Jack Searle, a

Because linear friction welding produces no fumes. it is more environmentally acceptable than conventional arc welding

founder partner of the company, which made the mecha-nisms suitable for commercial production proces

The company is also a mem-ber of the consortium formed 1985 with the Department of Trade and Industry and the Welding Institute to develop linear friction welding into a commercial technology. The other members are Blacks Equipment and Rolls-Royce, the UK aero-engine maker. The latter is interested in the potential of friction welding for producing high-quality joints in aerospace materials.

Richard Dolby, director of research at the institute, says that the new machine is constrained in the size of compo-nents it can handle - so far up to 1,000 square mm - but it is less constrained on the type of materials it can weld. He describes it as "the most tolerant of all joining pro-

A CONTRACTOR OF THE PARTY OF TH

ters can change considerably." The new machine has welded aluminium to steel, for example, which cannot be done any other way. in terms of design, it can enable design-

it uses a balanced reciprocating mechanism to move one component with a thrust of up to 45 tonnes across the face of a rigidly clamped component to which it is to be welded.

The mechanism powers a friction welding head, holding one of the two metal components. The oscillation varies from zero to 5mm (plus or minus 3mm from the centre), with the welding head moving through each cycle between five and 75 times a second.

balanced through all phases of the welding cycle, so the oscillations do not damage the machine or the pieces of metal

When the two surfaces are between them are cleaned and heated to the temperatures required for welding, typically between 956 deg C and 1,200 deg C.

At this point, the oscillating friction welding head is stopped and the two components are forged together with a force of 11 tonnes as the machine increases the axial load along the length of the two components. This squeezes some of the glowing, semifluid metal out of the inter-face, shortening the combined length of the components by up to 4mm. The entire welding cycle takes only 10 seconds for

a 1,000 square mm weld. The technique is suitable for a wide range of configurations including square, round, rect-angular and hexagonal shaped components. Blacks Equip-ment says that even irregular shapes can be welded, includ-ing turbine blades to shafts in jet engines.

plastic automotive parts such as bumpers, boot lids and floor pans, bimetallic chisel blades and multiple joints in metals



## THE WIDEST RANGE OF INTERNATIONAL DATA FROM EAST TO WEST.

No matter how wide your investment portfolio, Datastream have got it covered. With worldwide data that meets all your criteria.

Comprehensive. 25,000 equities, 44,000 bonds, 50,000 economic series plus futures, options, forex and interest rates covering over 35 countries.

Accurate. Our data is collected. validated and checked by a 120 strong team - using multiple sources to ensure reliability.

Timely. On-line direct to your PC for fast, easy access.

For investment research, sophisticated programs combine function-

ality and flexibility: high-quality graphics, cross-market searching and analysis of markets and securities against your own criteria.

For fund administrators, there's InterPort for multi-currency funds, running on PC networks or DEC VAX. Or, there's our mainframe service supporting investment accounting, valuations and administration. All flexible, easyto-use and with specialist after-sales

Keep your investment decisions fully covered with Datastream. Call (071) 250 3000 for an information

Datastream International

LONDON - NEW YORK - PARIS - HONG KONG - TOKYO - FRANKFURT

# NOTICE OF VARIATION TO MIDLAND INDIGO CARDHOLDERS.

Midland Bank plc announces that the interest it charges to its Indigo cardholders will be increased with effect from 2nd July, 1990.

From that date the new interest rate bands will be balances up to £249:

balances from £250 to £999: from 1.70% to 1.85% per month balances of £1000 and above: from 1.50% to 1.70% per month

and will be applied to all interest bearing balances, and purchases attracting interest for the first time. These interest rates apply to the bands and not the

The Midland Indigo Conditions of Use will be varied accordingly with effect from 2nd July, 1990.



MIDLAND BANK plc, 27 POULTRY, LONDON ECZP ZBX.



# REMINDER TO ALL **GENERATORS AND SUPPLIERS OF ELECTRICITY**

Those who claim exemption by virtue of the Electricity (Class Exemptions from the Requirement for a Licence) Order 1990 from the need to hold a licence to generate or supply electricity, to preserve that exemption may have a duty to notify before 1 July 1990 certain particulars to the Secretary of State and/or the DGES under Regulation 4 of that Order.

Failure to notify will mean that you will cease to be exempt, and will be committing an offence if you continue to generate or supply on or after that date, and may be liable to prosecution, and a fine.

Further information on the requirements to comply with the order can be obtained from the Department of Energy (071-238 3197) or the Office of Electricity Regulation's Head Office (021-456 6261) or its Regional Offices. Late notification cannot reinstate the exemption.

# **COMPANY NOTICES**

## **BAYER AKTIENGESELLSCHAFT** PAYMENT OF DIVIDEND NOTICE IS HEREBY GIVEN to shareholders that following a

Resolution passed at the Annual General Meeting of shareholders held on 19th June, 1990, a Dividend for the year 1989 of DM.13.00 per share of DM.50 nominal will be paid as from 20th June, 1990 against delivery of Coupon No. 49. All dividends will be subject to deduction of German Capital

The net amount of dividend is payable in German Marks. Paying

Agents outside Germany will pay in the currency of the country in which the Coupon is presented at the rate of exchange on the day of presentation.

Coupon No. 49 may be presented as from 20th June, 1990 at the Company's Paying Agents in the United Kingdom:-Hambros Bank Limited

Hill Samuel Bank Limited Kleinwort Benson Limited S.G. Warburg & Co. Ltd.

from whom claim forms may be obtained.

United Kingdom Income Tax will be deducted at the rate of 10% (10 pence in the £1) unless claims are accompanied by an affidavit. German Capital Yields Tax deducted in excess of 15% is recoverable by United Kingdom residents. The Company's United Kingdom Paying Agents will, upon request, provide the appropriate form for such recovery.

19th June, 1990

BAYER AKTIENGESELLSCHAFT

# **PUBLIC NOTICE**



MMC INVITES EVIDENCE ON THE PROPOSED ACQUISITION OF BERISKORD INTERNATIONAL PLC BY TATE AND LYLE PLC

The Monopolies and Mergers Commission would like to hear from any person with information or views on the proposed acquisition of Berisford International ple by

Tate and Lyle plc.

The Commission will be weighing up the loss of competition that would result from

ioss of competition that would result from the proposed merger against any countervalling benefits.

The Commission would like evidence in writing by Friday 6 July 1990 to be sent to: The Reference Secretary (Tate and Lyle). Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT.

# LEGAL NOTICE

THE MATTER OF S R COMPONENTS LEMITED -IN THE MATTER OF THE INSOLVENCY ACT

NOTICE IS MERCENY GIVEN that the Creditors of the above nerved company, which is being voluntarily wound up, are required, on or before the 4th day of August 1980 to send in their full otherstean and surnames, their addresses and descriptions, that purficulture of their debts or claims, and the names and addresses of their additions (if any) to the undersigned SURJET KUMAR SINGLA, FGA of SINGLA & COMPANY Clastered Accountance, 48 Queen Victoria Street, London ECHY 45A, the Liquidator or the said company, and it so required by notice in writing from the said Liquidator, are personality or by their solicitors, to come in and prove their debts said Liquidator, are personally or by their solicitors, in come in and prove their depic or ctains at such time and place as shall be

they will be excided from the benefit of any distribution made before such dates

DATED this 4th day of June 1900 S.K. SINGLA Liquidator

**COMPANY LIMITED Registered** number 2077529

Nature of business Pressers of garments for the clothing trade. Trade classification: 13 Date of apploimment of joint ediministrative receivers: Banco Hispano Americano Limited John Martin Iredale and Michael Joseph Macore. Moore, Joint Administrative Receiver, (Office holder nos 5701 and 5625), ot Cork Gusy, Shelley House, 3 Noble Street, London ECZV 70Q.

TREAT MANOR HOTELS UMITED

Registerred No. 2196188
Trisding names: The Brickmakers Arms
Three Horse Shoes
Trade classifications: 47-49
Hotels & Catering
Name and address of joint administrative
receivers: David John Stokes and Robert
Edward Caunce Cook, Cork Gully
1 East Parade
Shattled Sheliiold \$1 2ET

for the rigours of production engineering. Where parame

ers to specify simpler parts.

The oscillating mechanism to be welded.

Other potential applications include welding gears, chain links, electrical components,

Lynton McLain

# **LEGAL NOTICES**

IN THE MATTER OF INSOLVENCY ACT 1986 and GLOBALHSLL PROPERTIES LIMITED (Company No. 1924495

NOTICE IS HEREBY GIVEN pursuant to Section 96 of the Insolvency Act 1966 that a Meeting of the Creditors of the above-named Company will be held at the offices of SINGLA & COMPANY, Chartered Accountant, 49 Queen Victors Street Lorden Elbert 4SA on Monday 20th June 1960 at 11 20 am. Whe corrosse meetinged this Agologie 96 to 100 am.

THE HARVEST GROUP OF

COMPANIES PLC Former company name THE HARVEST GROUP OF COMPANIES PLC
Management and Ber-

Joint Administrative Receiver, (Office lighter nos 5701 and 5526), of Cork Gusly, Shelley House, 3 Noble Street, London ECZY 7520 THE HARVEST PRESSING COMPANY LIMITED

red number: 2201127 Makers of busi-ressers of garment for the clothing

John Administrative Receiver, (Citics holder nos 5701 and 5629), of Cerk Guily Shelley House 3 Mobile Street, London ECZV 700

## THE COMPUTER MARKETPLACE

COMPAQ LTE PC

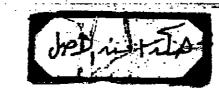
The Ultimate Laptop Demonstrations available from P.S.M. Micro Computers Ltd 0952 291670 CALL NOW

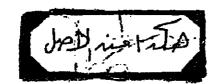
**GENEVA** SWITZERLAND Full Service is our Business International law and taxes.

Maiibox, telephone, telex and relecopies services

Translation and secretarial SCIVICES, Formation, domiciliation and administration of Swiss and Foreign companies. Full confidence and discretion assures BUSINESS ADVISORY SERVICES S.A. Rue Muzy, 1297 Geneva

Tel:736 05 40 Tx: 23342





## **BUSINESS LAW**

# Golden handshakes: due for a legal shake-up?

By Ronnie Fox

THE legal complications present few problems. The affecting compensation pack-ages for dismissed employees have become all too familiar to employers and their advisers. Recent legal developments have added to the complexity, creating new anomalies and increasing the urgency of demands for reform.

The Government has responded with proposals to rationalise the powers of industrial tribunals later this year, but the modest simplification that this should achieve may well be at the cost of increas-ing the numbers of claims and amounts of compensation

awarded against employers.

Most claims by dismissed employees are settled out of court. At executive level, the parties frequently reach agreement before the executive leaves, which can then be presented as resignation or mutual

But in these cases the terms on which an executive departs are very much influenced by the legal framework. Tax and company law may be relevant as well as the notoriously complex provisions of employment legislation and the parallel

rules of the common law.
Industrial tribunals are the most important source of redress which advisers must anticipate. More than 7,000 unfair dismissal claims are

heard every year.
The industrial tribunals' jurisdiction is much more limited than is generally realised: employees must usually have been employed for two years; and compensation is limited to a basic award equivalent to statutory redundancy pay (maximum 30 weeks' pay at up to £184 a week, raised from £172 from April 1) and compen-sation for financial loss up to £8,925. Reinstatement orders are very exceptional in prac-tice, and carry relatively light

For many less-well-paid employees, the tribunal limits

main exception is arrears of such items as holiday pay, which until recently could not be dealt with alongside other claims because of the sharp line between statutory and

line between statutory and common law jurisdiction. The perplexed employee would be advised to bring a separate claim in the county court for arrears of holiday pay.

Higher-paid employees may be more significantly affected by the financial limits. A High Court claim for damages for wrongful dismissal is the best recourse for a highly paid executive with a long contractual notice period. His or her claim would substantially exceed the compensatory powers of the industrial tribunals. industrial tribunals.

Claims by dismissed employees over non-payment of various sums alleged to be due as "pay" have produced the lion's share of a boom in industrial tribunal claims. There is no minimum qualifying period of employment for a claim under the Wages Act, nor any limit to the amount that may be claimed. Many claims have not been supplementary to unfair dismissal actions but have, in substance, been common law wrongful dismissal claims brought within the simpler and

swifter tribunal procedure.
When can this short cut be used? The answer depends on whether refusal to pay wages or salary in lieu of notice fol-lowing summary dismissal is a "deduction" from "pay". In

Depending on the correct analysis of the Wages Act, any common law wrongful dismissal claim may be within the jurisdiction of the industrial tribunal

But for employees with sub-stantial actual losses and less generous contractual protec-tion, the limit on compensation which can be awarded by an industrial tribunal (in real terms barely half the figure set when remedies for unfair dis-missal were created in 1972) is

The Wages Act 1986 has added tactical and jurisdictional problems, which are only now becoming apparent following a series of recent decisions by the Employment Appeal Tribunal. Unfortunately the result of these cases is added confusion, with a direct conflict about one cru-

The 1986 act was intended to rationalise Victorian legislation governing stoppages from pay. The new rules – govern-ing deductions without contractual authority or written consent – are enforceable by industrial tribunals.

Scotland the judicial view is that it is — a view supported by the broad statutory defini-tions of each term. In England and Wales the Employment Appeal Tribunal says that it is not - a view closer to the act

as presented to parliament.
The result is that more claims may be brought to industrial tribunals by dis-missed employees with short service, and claims under the act may give dismissed execu-tives a way round the statu-tory limits on unfair dismissal compensation where substantial sums are involved. But now only the higher courts can decide whether this will hap-

into these murky legal waters some light will be shed by a forthcoming change in the law. The Department of Employment has announced plans to make regulations (using a power available since 1972) to give industrial tribunals the right to hear any con-tractual claims by employees arising out of the termination of their employment, or out-

standing at termination.

This sounds enough to clear up the confusing differences of view about the Wages Act. Detailed points must await publication of the regulations themselves but the department has already announced that there will be a further hundle for applicants to surmount. They will need to have another claim, arising from the same employment, before the tribunal. This may be for unfair displayed the surface.

missal. It could also be under the Wages Act.

Depending on the correct analysis of the Wages Act, any common law wrongful dismissal claim may be within the jurisdiction of the industrial tribunal - with no need for any minimum qualifying service, and no ceiling on amounts claimed. Even incidental claims for holiday pay and the like will trigger the wider jurisdiction — an important point if the narrow con-struction of the act eventually prevails.
The industrial tribunals'

jurisdiction will not exclude ordinary court actions. Where large sums are at stake tribunals may remain the preferred route; but employers will have little influence over this

Irrespective of the construction of the Wages Act, employ-ees may be able to invoke the new jurisdiction by making a claim for which their qualify-ing period of service is less than two years. Possible claims include a failure to give proper written reasons for dismissal (qualifying period six months for employees appointed before February 26 1990, two years for

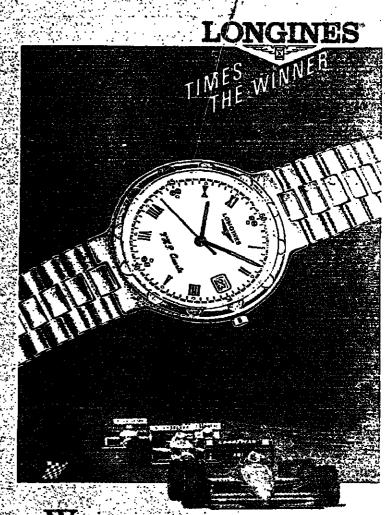
those appointed since); disputes about written particulars of employment (13 weeks); or sex or race discrimination (no minimum qualifying period).
If spurious claims are used

as a peg to bring contractual actions before industrial tribunals, employers will be able to have the action struck out; but tribunals are reluctant to take this step without hearing evi-

Overall, therefore, rationalisation of industrial tribunals' powers will resolve only some of the problems. This limited resolution will be at the expense (from the employer's perspective) of greater risks that dismissed employees will seek to use tribunals to settle contractual

employment claims.
There is a sting in the tail for employees, however. Employers will also be entitled to use the contractual jurisdic-tion of the industrial tribunal to recover damages for a vari-ety of breaches of contract. At present such claims are unusual where the employees allege unfair dismissal — prob-ably because the employer's claim would involve costly separate proceedings in the courts to obtain an uncertain remedy. A simple counterclaim or "set-off" in the industrial tribunal will seem much more attractive to employers.
The unsatisfactory and over-

complex legal rules impacting on golden handshakes will not become much simpler or more rational as a result of these developments. A more systematic rethink is long overdue. The author is senior partner of the City law firm Fox Williams, and author of Payments on Ter-mination of Employment, 3rd Edn published by Longman this



Winning calls for many qualities, not least shrewd judgement to does choosing a warch. Which is why so many winners choose tongines. Combining elegance with super-accuracy, the outstanding tengines Conquest VHP (Very High Precision) is probably the most advanced watch in the world. A watch made for winners, in every field.



# NOMURA KNOWLEDGE

A Priceless Privilege for the very few

In these times nothing is more valuable than knowledge; and no institution knows more about world financial markets than Nomura. At Nomura Bank (Switzerland) the combined knowledge of the world's preeminent investment bank, Nomura Securities, and the renowned economic think tank, Nomura Research Institute, works personally for you. It works to ensure that you invest to advantage, protect your interests with wisdom, and meet your

objectives with discretion. We invite you to learn more about the considerable benefits of a private account at Nomura Bank (Switzerland). These include excellence in private banking, applied global knowledge, superior performance, and the unique privileges of the Swiss personal banking tradition. Send for our new publication 'Nomura Private Banking' We will dispatch your copy promptly. And discreetly.

Please send me "Nomura Private Banking."

se 71, 8023 Zürich, Switzerland. Tel: (1) 21991 11.

10, Quai du Seujet. 1211 Geneva 11 Tel: (22) 732 46 46. Via Pretorio 9, 6900 Lugano Tel: (91) 23 13 85

Tel: [61] 29 46 11

**NOMURA** nae 2. 4001 Base

NOMURA BANK (SWITZERLAND) LTD.

A WEALTH OF KNOWLEDGE

SSUED BY NOMURA BANK (SWITZERLAND) LTD. AND APPROVED FOR CIRCULATION IN THE U.K. BY NOMERA BITERNATIONAL PLC, A MEMBER OF TSA.

# WORLD RAILWAYS & RAPID TRANSIT **SYSTEMS**

The Financial Times proposes to publish this survey on:

17th September 1990

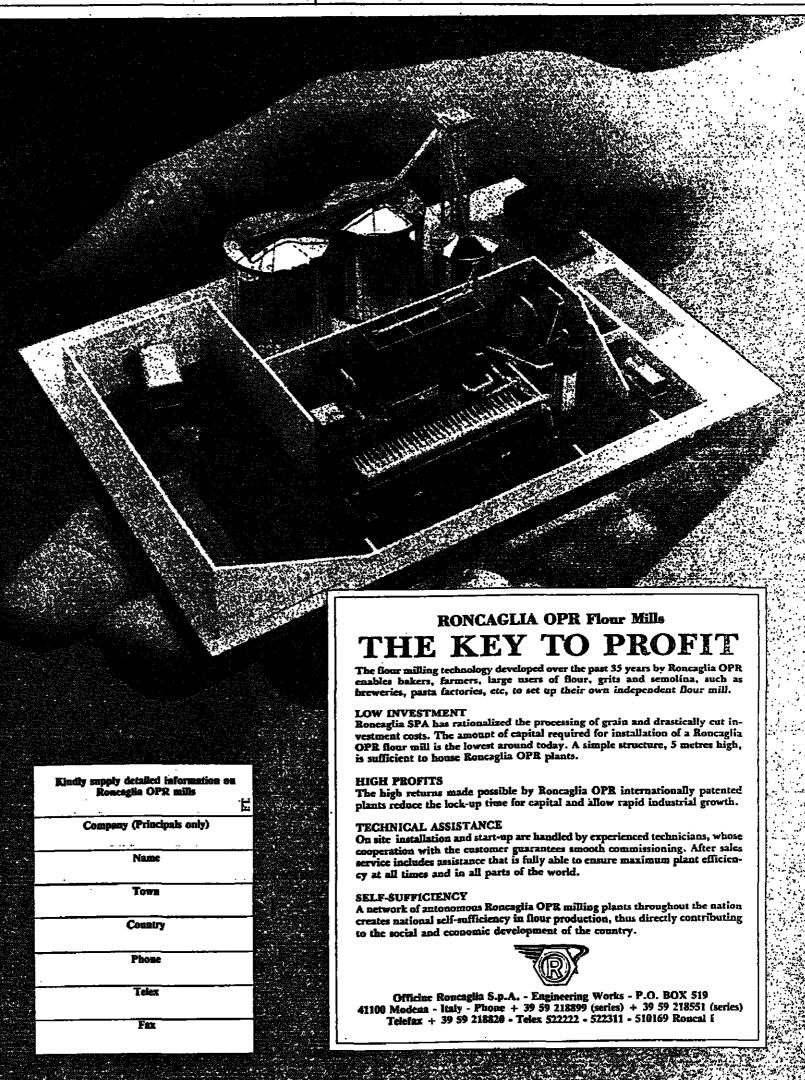
For a full editorial synopsis and advertisement details, please contact

> Neville Woodcock on 071 873 3365

or write to him at :

Number One Southwark Bridge London SE! 9HL

FINANCIALTIMES



December 20 1989 a company was accused of factual inaccuracy, significant omission and playing on the public's fear and ignorance of the greenhouse effect."

The company in question was British Nuclear Fuels Ltd. The accuser was Friends of the Earth, the environmental pressure group. The object of its accusation was an advertise-ment for BNFL with the slogan "Just how Green are you about nuclear power?" The ad, devised by Young & Rubicam, had the dubious distinction of winning FoE's "Green Con of the year" awards.

Yesterday the FoE announced the launch of a second set of Green Con awards for 1990. The awards are given to the companies which, it believes, are misleading the public by pretending to be Greener than they really are. The news that the awards will run again this year comes at a time when the advertising industry is coming under intense criticism for its work in the environmental arena.

Last week the Advertising Standards Authority upbraided five advertisers for making misleading claims concerning the environment. The Independent Television Association issued a new set of guidelines on the content of Green commercials. An article in the latest issue of New Scientist mag-azine cites the "splendidly incompetent copy-writing by advertising agencies" as one of the chief contributors to the growing cynicism about 'envi-ronmentally sound' products.

# Gunning for 'Green con' commercials

The fuss and furore over Green advertising raises a very real dilemma for the advertising industry. The sudden surge of interest in the environment has fuelled a significant change in consumer attitudes to which it must respond. It has also fostered demand for new products and services from the industry's clients, which has provided a welcome source of new revenue.

In short, the industry can not afford to ignore environ-mental issues. The problem is that, so far, its attempts to address them have been far from successful. Further, as the first flood of Green enthusiasm dies down, consumers' attitudes are becoming more and more complex.

Green advertising is not a new phenomenon. For years oil and chemical companies have run commercials designed to persuade the public that they are kind, caring and evironmentally-aware.

It is only in the last year or so that environmental issues have been a significant influence in product advertising as well. As soon as mainstream manufacturers realised there was a market for recycled loo rolls and cars with catalytic converters, a new genre of Green advertising appeared. Scenes of rural serenity and cloud-encircled globes have joined the 'new man' with his



Scenes from the latest Shell advert, designed to show the company takes lead free petrol to the most remote areas

stubbly chin and chuckling baby as the cliches of early 1990s advertising. The public was suspicious from the start. 'In all our dis-

cussion groups on Green issues, consumers have shown a high degree of scepticism." says Sian Morrissey, a researcher on environmental issues for the Consumers Association. "They are very, very suspicious about manufacturers jumping on to the environ-mental bandwagon." Unfortunately for the adver-

tising industry, the first wave of Green advertisements seemed to confirm the public's suspicions. Some ads were blatantly inaccurate. One example

was the ad for a new Rover car, devised by B\$B:Dorland, which claimed that the car was "as ozone-friendly as it is eco-nomical" because it could use unleaded petrol. Rover scrapped the ad when it real-ised there was no link between unleaded petrol and damage to the ozone layer. Another problem was that

many clichés," says Rita Clifton, a planning director at Saatchi & Saatchi. "There are too many forests, rivers, babies and globes."

A recent study by Ogilvy & Mather showed that a large proportion of consumers are



antipathetic about Green advertising. Words like 'con-fusing' and 'clichéd' cropped up again and again in the research.

One explanation for the industry's apparent incompe-industry's apparent incompe-tence in the environmental area is the sheer speed with which the Green issue sur-faced. Many manufacturers were caught unawares by the surge in demand for environmentally-sound products. Both advertisers and their agencies were working in unfamiliar territory. This was aggravated by the absence of guidelines on product labelling and commer-cial content.

It is also arguable that

advertising, as a medium, is not very effective at dealing with environmental issues. In many ways the conspicuous consumption that characterised consumer attitudes in the

1980s was ideally suited to advertising. The archetypal 1980s ads - men in bright Gordon Gekko braces barking down portable phones and femmes fatales in boxy Chanel suits - sought to persuade people to buy things with images of unapologetic afflu-Green advertising is more

challenging. The arguments are often abstract or bogged down by complex scientific issues. It is arguably easier to

something with an image of ostentatious opuience, than with an intricate explanation of how a disposable nappy manufacturer has eradicated dioxins from the pulp produc-

tion process. These problems are compounded by the fact that consumers' attitudes to Green products are becoming more complex. Almost all the research into the area shows that, although environmental issues still influence buying decisions, people are much more sceptical about claims made for Green products and sales are starting to suffer.

Ogilvy ran one study of Green buying habits in August last year and repeated the study in February this year. By the second study Green consumers said they were less likely to buy environmentally sound products, or to pay extra

At the same time consumers are not only better informed about Green issues, they are also much more critical in their assessment of the companies that present themselves as environmentally aware.

Saatchi's research shows that people now expect companies to be environmentally aware in every area of their activities. Companies can not expect people to be impressed

or by their advertisements - if they do not take a responsible attitude to the environment in areas such as corporate strat-

egy and production planning.
If Green advertising is going to be more credible in the future, says Rita Clifton of Saatchi, it must be "more sophisticated and, above all honest."

There are signs that some agencies are starting to respond. The current campaign respond. The current campaign for Scott Paper and its Andrea toilet paper — created by J. Walter Thompson — is an example of a company, which operates in a sensitive sector. being open about its environmental policy. The theme of the campaign is bow Scott plants a new tree to replace every tree it felis.

On Sunday evening Shell unveiled its new corporate advertising campaign, deviged by Bartle Bogle Hegarty. The pastoral landscape and rousing Eigar of the old Shell commercials have gone. The new campaign features untuly kangaroos and a dusty petrol station — selling Shell super unleaded — in the Australian outback

"The public now takes it for granted that a company like Shell takes care of the chylronment," says Jeremy Judge, chairman of BBH. "Of course people want companies to act responsibly, but they also want to know what is in it for them. The tenor of advertising must change. It must be more bonest, more appropriate, less breast beating and much less self-important."

AR

# worrying about what they were putting into their bodies, there was a proliferation of labels guiding consumers towards healthy foods.

Now Americans are worried about what they are putting into the earth, and labels guiding consumers towards environmentally-sound products are multiplying. The latest entrant in the US is the Green Seal, which was unveiled amid some fanfare last week, but

which will not start appearing on products until early next year. "Our objective is to help American consumers vote with their pocket books on environmental issues," says Denis Hayes, executive director of the first Earth Day in 1970 and chief executive of the

non-profit Green Seal project.
The newly-formed Washingtonbased organisation plans to look at the life cycle of certain products, "from the cradle to the grave," to

determine their effects on the environment. Those deemed least harm-

ful will be awarded the seal.
"No products are environmentally friendly, we are looking for those that are better than their competitors," says Hayes.

Only certain categories of products will be examined - namely light bulbs, laundry cleaners, house paint, totlet paper and facial tissue. With light bulbs, for example, Green Seal will consider the amount of electricity needed to run them and the environmental impact of mining the metals used in manufacture, in addition to the consequences of disposal. The standards will be set by an independent council of scientists.

Manufacturers will bear the cost of testing. Costs will be determined on a sliding scale, depending on company size, in order to prevent discriminating against smaller pro-

Green Seal, which has a budget of \$750,000 for the first 12 months, expects the money to come from grants and individual donations. But Green Seal will have to tread

carefully if it is to avoid the pitfalls that sank the American Heart Association's HeartGuide food-labeling programme which tested processed foods for total fat, saturated fat, cholesterol and sodium.
HeartGuide, which was on the drawing board for three years, but survived only two months on the market, fell foul of both the federal

government and consumer groups. One of the strongest charges levied against HeartGuide was that its annual fees - which ran as high as \$640,000 per product - were exor-

bitant. The programme was also attacked for not revealing its methods of evaluating products.

Another non-profit organisation with an environmental labelling programme, Green Cross, believes that it will survive where Heart-Guide failed partly because it does not charge for the use of its label.
According to Stanley Rhodes, president of Green Cross, the plan by Green Seal to charge manufacturers for the right to bear its label

may prove a fatal flaw.

However, Green Seal believes that its sliding fee structure will protect it from the worst of the charges against HeartGuide. HeartGuide ran into trouble

because it did not reveal its criteria for making judgements, according to Julie Vergeront, special assistant attorney general in Minnesota, who



works with one of Green Seal's directors. In contrast, Green Seal will make its guidelines public and develop them with the help of public input.

Green Cross, a subsidiary of Scientific Certification Systems, plans to have a recycling seal on the market by July for products and pack-

aging which have "a significant amount" of recycled consumer waste. Product claims will be checked by an independent, third-

party certification company. Later, Green Cross plans to intro-duce an environmental seal with stringent requirements from manufacturers. Products and packaging must be made from at least 50 per cent sustainable or recycled materials and the manufacturer must have an aggressive solid waste reduction policy and must meet a "no detected residue" standard for highly toxic emissions and effluents. Green Cross does not expect many products to qualify for its label in the first year.

US companies however are not rushing to have products tested for environmental worth. A spokeswoman for Procter & Gamble, a

leading US household products group, said the company would rather work on producing uniform standards and definitions for recycling and degradability claims.

Green Seal and Green Cross are the sole issuers of environmental endorsements. Several retail chains have introduced their own environ-

mental labels.

Legislation is being drafted at the senate level for a federal seal to be awarded by the Environmental Protection Agency, and 10 northeastern states plan to introduce package-labeling regulations by the end of the year.

It is too early to say whether there is room in the US for a plethora of seals, but already there is talk of attrition. "In order for environmental labels to be effective, one programme will have to emerge as the dominant programme," says Vergeront

Œ,



Arriving in new markets more quickly and comfortably than your competition is the whole reason behind owning a Cessna Citation.

And particularly suited to meeting the challenges of the fast-changing European business world are the Citation III, the Citation VI, and the Citation VII. Together, they make up the widest product range in this category of aircraft.

Each offers a stand-up cabin, without sacrificing efficiency. Mission versatility without losing speed. Outstanding performance and comfort that is remarkably affordable.

Citation. A name synonymous with performance. Safety. And affordability.

Citation business jets do more than simply get you from here to there. They allow you and your business associates to travel in comfort, stretch out and work in flight, and arrive at your destina-

tion fresh and ready to do business. The Citation III, VI, and VII all feature passenger cabins a full 70 inches high – tall enough to stand up and walk around in.

There's also a private, fully equipped toilet.

A refreshment center lets you enjoy hot or cold beverages, even hot food from a warming oven. But whilst they are filled with

size and comfort, these business jets are also built for speed. They cruise at 543 mph, and are certified to fly at altitudes of 51,000 feet, allowing them to fly above turbulent weather without

detours or delays. Even more importantly in congested European air space, the outstanding speed, climb capabilities, and high altitude cruise of

these Citations often gains them traffic clearance and airport slots not available to other aircraft.

## Whichever you choose, the choice is clearly Citation.

While each of these Citations share outstanding interior space and performance characteristics, each offers distinct qualities.

The Citation VI – As the lowest priced aircraft in its category, the VI makes the outstanding performance of Citation business jets affordable to more businesses than ever before.

The Citation III - As the first business jet in its category to take advantage of new technology in aerodynamics, systems, structure, and propulsion, the III quickly became the world's best seller in its class, and remains so today.

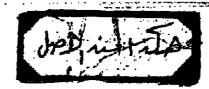
The Citation VII - With even more powerful engines than the III and VI, the Citation VII offers even greater cabin comfort and mission flexibility.

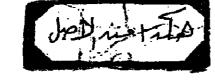
Find out more about which Citation model best matches the needs of your business.

Your Citation representative will be pleased to provide you with any additional information you may require. Please contact Ernest J. Edwards, by calling 0990-873222, or by writing Cessna Aircraft Company; Coworth Park House; Coworth Park; Ascot, Berkshire SL5 7SF. Fax: 0990-27275. Teles: 849658 Cessua G.









# Innocents abroad

ho is mad and who is sane? Vincent And Theo, directed by Robert Aliman from a script by Julian (Another Country) Mitchell, asks us which of the two Van Gogh siblings was the true moral and mental casualty. Was it painter Vincent, famous for his delirious cornfields and DIY experiments in ear surgery? Or was it his articular treatments. dealer brother Theo?

In the centenary year of Vin-cent's death new movie per-spectives must be found on the artist who, though he sold only one painting during his life, has since become the art world's answer to Steven Spiel-berg. Today, his paintings fall under a golden hammer in every auction-room. His post-humous victory deserves better than endless variations on Lust For Life: films in which glowering, bristle-haired actors pre-tend to add real brushstrokes

to copies of "Sunflowers."

Altman and Mitchell have paid VVG the tribute of understatement. Throwing as keen a spotlight on Theo, played with demonic intensity by Paul Rhys, they render Vincent (Tim Roth) quietly and polgnantly as a conundrum in search of a socio-historical context. The movie is long (2% hours) and variable but never dull Serpentining from scene to scene, it begins as a *jeu d'es-*prit with modern hindsight. As plinky music overscores scenes of audio-visual persiflage - a beach painting that "comes to life," sounds from a televised Van Gogh auction that leak into the 1880s - we could be watching "Someday In The Past With Vincent." But soon more visceral matters take over. We begin cutting between Theo, battling with syphilis and philistinism in Paris, and Vincent in Provence, battling with life, art and

Paul Gauguin If Vincent was a tormented but oddly "innocent" victim of art's enthralment, Theo was an unblinkered man who saw the VINCENT AND THEO Robert Altman

STANLEY AND IRIS Martin Ritt

FOOLS OF FORTUNE Patrick O'Connor

> REVENGE Tony Scott

whole of life's picture and did not like it. He ended his life, within a year of his brother's Recognising Vincent's greatness, Theo was powerless to promote it. "If you can sell Corot, you can damn well sell."

me!" yells Tim Roth's Vincent. And though at times one won-And though at times one won-ders if this Theo could sell cen-tral heating to an Eskimo, one perceives in Paul Rhys's pale, neurotic, twitchy-mouthed Theo the tragic figure of an artist manqué who sees the future of art but cannot make it "morels" either for himself it "work." either for himself, the evangelist, or for his brother, the messiah. Shot in grey, bleak tones by Jean Lepine, Altman's movie is a grave, bleak vision of art and its heroes: heroes who may be found as much among the unsung non-artists as among unsung non-artists as among the much-romanticised

Jane Fonda and Robert De Niro in Stanley And his play two New England factory workers brought together by illiteracy. Mr De Niro cannot read or write. Miss Fonda, wipread or write. Mass ronna, wip-ing the jam and crumbs off her hands after a hard day at the cake factory, offers to help. So begins a friendship that turns to romance between two peo-ple. This is their story. Well, it is their story now it used to be ple. This is their story. Well, it is their story now. It used to be author Pat Barker's story, a praised Teeside-set novel about the British working class

caricature - but his virtuosity in throwing off elaborate florid phrases while keeping up the pace of story-telling urged tol-

erance for all the face-pulling

and hand-waggling.
Miss Laurens, whom I have

praised on this page in recent

French performances of Lully, Gluck, and Handel operas, is a

singer of fascinatingly resinous mezzo tone and electric temperament, who takes risks

with tonal management in a way few other Early Music

singers would dare. Clorinda's brief phrases were

heart-rending, and in the Lamento della minfa earlier on,

she achieved an even rarer

blend of dramatic passion and stylistic probity. Any Monteverdi concert

Max Loppert

called *Union Street.* But Miss Barker sold the book to Holly-wood and was then shocked by the results. There are still

innocents about in the world.

Mind you, it is hard not to be shocked by some of the banali-ties assembled here. Screenwriters Harriet Frank Jr and Irv-ing Ravetch and director Martin Ritt, the team who in happier days brought you Hud and Norma Rae, tease out their skeletal plot until its bones squeak. The audience is protected from such noises by the layers of syrupy music (John "ET" Williams). But they are not protected from the "Aw gosh, pass me a hankie" scenes in which De Niro learns at last how to spell; nor from Miss Fonda's violin-string hyper-intensity as the factory girl who thinks she's starring in her own production of The Miracle Worker. Audiences who know happier days brought you Hud Worker. Audiences who know how to spell should have little problem articulating a verdict on this film: "T-u-r-k-e-y."

It is hard to keep track of a movie's pedigree in this age of Hollywoodised British novels, English actors playing Dutch brothers for an American director, and Mrs Thatcher giving £5m of taxpayers' money to encourage the dubious art of the co-production.

With Engls Of Engine Irish

With Fools Of Fortune Irish director Pat O'Connor, fresh from misfiring in America with Stars And Bars and The January Man, returns from Tinseltown to Shamrockland to film a William Trevor novel. He brings America's Mary Elisa-beth Mastrantonio (*The Colour Of Money*) to star as the flower of the English gentry who falls in love with a young Irish patriot played by Angio-Scottish actor Iain Glen. The patriot's father was killed by the Black and Tans and his dribt was a state of the patriot of the patriot of the patriot of the place and the place of the patriot of the place of the p drink-prone mother is played by England's Julie Christie, making a brave stab at a Hibernian accent.

The talent mixture is odd on paper and even odder on screen, despite early promise. The acting - not surpris-ingly - is of a rare awkward-by Mr Quinn: wry, handsome



Jane Fonda and Robert De Niro in "Stanley & Iris"

A sepia-toned credits sequence captures the white-lace-and-af-ternoon-tea era, circa 1920, soon to be worn away by social history and Ireland's independence struggles. As the Quinton family, turning to colour, continue to frolic about the continue to frolic about the lawns and messuages, we flash forward once or twice to an unkempt Mr Glen awaiting a boatload of patriot cronies in a stone hut by the seashore. For Mr G, we learn, is a grown-up version of the young boy we watch collide with grief as his family home is torched and his land what he Eritain's more defined. Dad shot by Britain's ragged

army of irregulars.

The film keeps its balance for an hour. But when it makes the final jump from the 1920s to the 1930s, it breaks both ankles and never recovers. Scripted as if for the slow-witted by Michael Hirst, it spells out in words what should be made manifest in the images and acting. ("She's not a saint, she's insane" says Mastrantonio brusquely of her and Glen's little daughter, in whom the Irish troubles have lodged like a trauma). And emotional stag-ing posts are reached with no preparation, as if we were leap-

ing about in a twilight zone of narrative short cuts.

ness from everyone in sight. Mr Glen is required to burst into noisy tears at the drop of a memory and Miss Christie's whisky-bibbing materfamilias is a poor relation of her opi-um-addicted madame in McCabe And Mrs Miller. Not even Hans Zimmer's fulsome score can give emotional impact, though Heaven knows it tries, to a film which never finds an authenticity of feeling

or meaning beneath its discon-nected gestures and rhetoric. Revenge has no difficulty announcing its pedigree. It is a modern-dress Western, albeit directed by a Briton (Tony Scott of Top Gun and Beverly Hills Cop 2). In today's sage-brush-depleted age, we must dive down to Mexico for tales of what a man's gotta do. In this instance, retired flying ace Kevin Costner gotta run like hell after falling in love and into bed with his friend

Anthony Quinn's wife.

Mr Quinn is a Mexican Mr
Big who hires and fires local
politicians and shoots troublesome guests for after-dinner sport. His wife (Madeleine Stowe) is a dark young beauty from the Hollywood talent pool. And Mr Costner exists in two modes: "before" and

and cool as an after-shave and cool as an arter-shave.
After beating up: bruised,
handsome and hellbent on getting the lovely Miss Stowe
back even though she has been
banished to a brothel by Old Meany-pants.

Soon we are careering all over the Mexican sierras wondering if those amber-coloured skies and mist-swathed villages are the real Mexico or if direc-tor Scott has been at the filters and smoke-machine again. Brother of Ridley, he makes all those high-style commercials in which women clamber around Mayan ruins wearing

around mayan runs wearing sweat-free tick marks.

Revenge is gloriously handsome and gloriously dotty, and that it failed at the American box office only raises it in my affections. Who can truly dislike a film in which a key romantic scene in played across an electric lemonade-blender; in which the mighty Quinn is lit in mythopoeic close-up like a giant bullfrog; and in which veils, drapes and cailing fans are deployed for visual effect as if Josef Von Sternberg had never died and gone to mad directors' Heaven. A thing of beauty is a joy for ever; : or at least in this instance for 124 minutes.

**Nigel Andrews** 

# Cumbre Flamenca

The greatest dancing now to be one exciting crescendo is then seen in London (for all the surpassed by the next. beauties of the Kirov) occurs with some of the finest music

on a stage with virtually no
decor. Just a black backdrop,
which sometimes lifts to show a second backdrop of blue sky and the evening starts with maximum severity: darkness. silence, then the raps of a cane on the floor offstage. In the opening Martinete there's no accompaniment, other than those cane-raps and the noise of the dancers' heels. Stark stuff. Yet, early on in

this Cumbre Flamenca programme, I felt again such an intense plenitude of sensation that I was soon reeling. This level of experience is rare in or outside a theatre, but I say "again" because I now expect it from this great troupe of five dancers, four singers and four guitarists. (Though the pro-gramme's overall plan remains the same as last year, many details have changed.) Seldom here do we find dancing accompanied by music-making of this quality; and no other dancing seen in London this year has shown such thrilling intimacy between music and dance. From first to last, flamenco

makes you aware of widely dif-ferent units of time, from the smallest to the largest; and so you experience layer upon layer of rhythm. The quickest strum or rap takes its place inevitably within the whole musical pattern of a dance. But nothing feels inevitable. All seems suspenseful, unpredictable — and final. It is as if plainsong had been crossed with jazz, and you think of Moslem muezzin and of Hebrew chant, of the pride of free will, the cruel force of fate. The musicians - don't miss the final encore dances — show a passionately witty understanding of the dance idiom; and the dancers are brilliant masters of the musical style. La Chana, in the Alegrias, and Cristobal Reyes in the Cantinas, show musicianship of the highest

It's as strange a blend of nobility and eroticism as any-thing in Wagner. The proud tautness of groin and waist, the glamorous stretch of the arms, the keenly clacking feet function in different combina-tions during a solo. What alluring posture; and how sexual the structure of each solo, as

La Chana is as ripe, as dramatic, as fierce, as funny as last year, and in her shaping of the whole Alegrias she seems to me an even more sublime artist than ever. As she brings one unaccompanied cadenza to a dizzying peak, the heel and toe of one foot, then of the other, produce a rapid trill that not only accelerates but softens, while she slowly turns on the spot. Then, having drawn percussive rhythm to this miraculous climax, she slowly, slowly - circles a wrist and begins her next variation, a study in plastique and oppo-sition with one backbend of sumptuous beauty. How touching when this defiant creature then takes one of her musi-cians by the hand, as if needing reassurance, in commencing the next skein of rhythm.

Reyes, in his Cantinas, shows as much diabolic gypsy virtuosity as before, building

each variation into an astound-ing, accumulating, rhythmic spiral of excitement. Now he dances to the music; now he works closely with just one musician; now he, unaccompa-nied, is the music. On one foot, he makes heel and toe produce high-speed metrical complexity, which he then decorates, jabbing his spare foot to the floor again and again.
The young Juana Amaya is even more daring and exact than last year. Her Solea is the

most drastic contrast of aggressive blousiness and handsomely rigorous precision. Antonio Canales, in the Farruca, and Angela Granados, wielding heels, tasselled shawl and long, deep frilled train in her Taranto, remain splendid. My only disappointment is that my only disappointment is that the singer, Alfonso "El Veneno," in less fine voice than last year, does not pro-duce his former vocal marvels of lowof long-phrased coloratura. But the evening's singing, so oddly tense, pliant and right for the dancing, is all extremely stylish. And there is one new bonus in Diego Losada's Gran-aina guitar solo – a powerfully rich amalgam of flowing melody, stirring chords and bala-laika-like vibrations. All evening long, you could be blindfolded and still have a great experience.

Alastair Macaulay

# Capriccio Stravagante

The Lufthansa Festival of Baroque Music, currently in mid-flight, on Tuesday night played host to Capriccio Stravagante, the Paris-based Early Music group. Under their founder, the American harpsifold for the surgery of the surgery The Lufthansa Festival of Baroque Music, currently in mid-flight, on Tuesday night played host to Capriccio Stravagante, the Paris-based Early Music group. Under their founder, the American harpsichordist Skip Sempé, they have won a sizeable reputation for the vivideness and intelligence of their preferences; the me of their performances; the pro-gramme, subtitled "War and Peace" and devoted largely to Monteverdi vocal music, went some way toward showing

As demonstrated in both the instrumental selections (by Scheidt and Biber, a little damped by the resonant acoustics) and the vocal, the style is spontaneous, plastic, rhythmi-cally un-metronomical. The singers attached to the group - above all the French mezzo-soprano Guillemette Lau-rens and the English tenor Ian Honeyman - cultivate a delivery of the words which makes them, correctly, the motivating force in the music: there was none of that woolly mumble that in too many current British readings passes for Montev-erdian Italian.

The wholly enthralling account of the Combattimento di Tancredi e Clorinda Which Prince/Neville Brothers

It began like the Creation: light dusting the darkness; sound breaking the anticipation; hushed voices intoning words like "Dearly beloveds" and "Ultimates." This is what we were expecting — Prince was

among us. He was here, but more a brooding presence rather than a visionary light.
Although designated the "Nude" tour this
year's manifestation of Prince is a rather
subdued, workmanlike, almost off-hand affair, with the tiny mannikin clothed, contained, respectable. If you are nice you call it "Back to basics" after the organic are sceptical you call it commercial exploi-tation of the audience's dreams rather than the sexual exploitation of the past.

It is hardly dull. Prince, who this time sprouts hair from face and chest, is a supreme performer, singing, guitar playing, piano thumping, dancing, with a style and perfection that puts any rivals to shame. As he became half visible in a non-stop disco opening sequence incorporating songs like "The Future" and "1999" it was obvious that he was going to put that old phomey Michael Jackson in his place for starters. There was the same image of backing male dancers going through foreplay motions behind Prince but as the guitarists fell to their knees in adoration there is no doubt who is the global super star these days.

saon tever di concert performance that suggests the theatre, as these did, is surely on the right lines. Perhaps it is too easy for him. The production values would shame Hollywood in the 1930s. The set, built around a demented drummer, is one long cat walk to show off Prince's total control. Lights blaze; dry ice spurts into the void; a female singer acts as a voice of warning; the dancers, the musicians fall into their slotted, peripheral, roles. There is the moment

when the audience is briefly acknowledged, in "Purple Rain," and the action slows down for a communal authem illuminated by lighter flames and sparklers from the mesmerised throng. There are the piano solos in which Prince reclaims "Nothing compares to U" and makes it more heart felt than the Sinsad O'Connor cover version. There is a nod towards current fads when "Alphabet. St" is melodically rapped out with a Motown beat.

Of course most of the show is a non-stop

Of course most of the show is a non-stop party. You feel you are in the grandest disco in the world watching an exquisite reach nirvana. Ti microphone is a bit tacky, as are the sug-gestive press ups by the boys. But Prince delivers excitement, even if you realise before the long sequence of encores that it is packaged excitement, slick and stereotyped, and stripped of any emotion or improvisation. Near the end he slips into a suit, becomes street sharp. That sums it up: you've been given a run round by the smartest dude on the block and you are grateful that he has deigned to acknowl-

Antony Thorncroft

The albums, even the live ones, tell only part of the story; the Neville Brothers are even better in concert. In their unstoppable celebrations all the strands and shards of 200 years of black music in New Orleans are joyously fused; it is not jazz or blues, gospel or rock, but something reaching back to the roots of all of them, unclassifiable and very special. Purists might claim that the Nevilles are only the very public tip of a cultural iceberg which goes right to the fundamentals of black culture in the

deep south, that with their enormous suc-cess an intensely private, assiduously pre-served folk tradition has been made international property. But there is never a hint of exploitation in their show; it is

nint of exploitation in their show, it is New Orleans and its people that the Nevilles celebrate.

Tuesday's show at the Town and Country (there is another tonight) was the usual glorious mix of old and new, borrowings and reworkings, each one delivered with freshness and spontaneous imagination. There is as much invention in the decorative swirls of Aaron Neville's ballads — a version of Leonard Cohen's "Bird" on the Wire," newly released as a single, was almost as spell-binding as his transformation of Dylan's "God on our Side" - as in Charles Neville's saxophones or the polyrhythms of Cyril's congas. Every discursion, every flight of fancy, is bound together by Art Neville's more phlegmatic keyboards - the harmonic sense of every song is just as compelling as the astound-

song is just as compelling as the astounding tightness of its rhythms.

There is a new album on the way, and
the samples of that — a stomping "Brother
Jake" and another of the Nevilles' itercely
committed anthems "My Brother's
Keeper" — suggest that standards are
more than being maintained. A clutch of songs from its predecessor Yellow Moon, the disc that finally put the band on the international map, and then the performance became supercharged: a finale kick-started with George Landry's "Brother John" and "Iko, Iko," and a furi-ous encore set calmed for a moment by Aaron's magical "Amazing Grace," awash with New Age harmonies. The pacing is perfect, overwhelming.

**Andrew Clements** 

June 15-21

Angela Granados

# Manchester Business School

# **DEVELOPMENT FOR YOUR** HIGH FLYERS WITHOUT LEAVING THE NEST

The Master in Business Management (MBM) degree offers a unique opportunity to companies who recognise the investment potential in training their best people.

The programme is designed to help you Improve your company's performance through enhancing the management ability of your best managers and ensure their continuing commitment to your organisation.

At the same time, a flexible partnership with MBS helps you retain involvement, ensure close linkage with your prevailing business circumstances and complement your in-house training.

The MBM's unique design combines part-time attendance at MBS, in-company projects and high quality participation of companies like Barclays Bank, British Gas, Ciba Geigy, Ferranti, Godfrey Davis, IBM, ICL, Pilkington, Shell, Spicer & Oppenheim and Thorntons.

The MBM is only available to company nominated executives. Candidates must have appropriate experience and pass a demanding entrance examination.

For further information about the programme and receptions in London and Manchester, contact Caroline Ball, Manchester Business School, Booth Street West, Manchester M15 6PB. Tel: 061 275 6498. Pax: 061 273 7732. Telex: 668354.

UNIVERSITY OF MANCHESTER

# **ARTS GUIDE**

EXHIBITIONS

The Royal Academy. The 222nd Summer Exhibition — the oldest established and largest open submission exhibition in the world, it covers the broader centre ground of professional British art. Dady until August 19, sponsored by the Dai-Ichi Kangyo Bank

The Tate Gallery. On Classic Ground — a large exhibition devoted to French, Italian and Spanish art of the first four decades of the century. Until September 2; sponsored by Reed international

The Royal Academy, Modern Masters from the Gelman Collec tion — a self-explanatory exhibi-tion of masterpieces of the 20th century from Bonnard and earli-est Picasso to Picasso the old man. Until July 15; sponsored

Grand Palais, Joseph Wright of Derby. Some 80 paintings and 30 drawings sum up the career of the 18th century portraitist who introduced the chiaroscuro into English art. Closed Tue, Wed lart shorter, and a large of the 18th state shorter, and a large state of the 18th state shorter. Wed late closing, ends July 23

(42895410). Galerie Odermati-Caseau. 19th and 20th Century Masters. A thread of excellence runs through the exhibition, which begins with the impressionists and ends with an abstract Pica-bia. Ends July 28 (42669258). Musée Carnavalet. Antique bronzes. Some 400 statuettes et. Antique bring to life the Gallo-Roman world up to the 5th century. Closed Mon, ends July 1

(42722113). Grand Palais. Pre-Colum Grand Palens. Pre-coumbram art in Mexico (1500BC - AD1521). Some 130 exhibits from Mexico's archaeological museums bear witness to the high degree of artistic development of the ancient civilisations of the Mayas and Azteca. Closed Tue, late clos-tron Wed Frids. July 30 (49985410). ing Wed. Ends July 30 (42895410).

Isy Brachot. Portrait of the Pace gallery of New York. Calder, Dubuffet, Picasso, Rothko and others. Ends June 23. Fondation pour L'Architecture, 55 rue de L'Ermitage. Brussels, Chin de Ambitiochem 1900 1958 City of Architecture 1890-1958. Closed Monday.

Rembrandt Bugatti and Belgian Animal sculpture (1860-1930) closed Monday ends July 29. Hes-senhuis, 53 Falconrui.

Braccio di Carlo Magno in Piazza San Pietro: Michelangelo and the Sistine Chapel. This exhibition marks the end of a 10-year project by Vatican restorers on the ceiling of the Sistine Chapel. Ends July 10. Villa Medici. Henri Cartier-Bresson. Photographs and 100 or so drawings. Ends June 22.

Florence

Palazzo Vecchio. The age of Mas accie: tying in with the reopen-ing of the Brancacci chapel in the Church of the Carmine after a six-year restoration on the cycle of frescoes by Masaccio and Masolino, are 109 works by

worked in Florence in the golden years between 1401 (the date of Masaccio's birth) and 1440.Ends

Castel Sant'elmo. In the Shadow of Vesuvius: Naples through the eyes of European artists between 1400 and 1800. Rnds July 21.

Hambury

Kunsthelle, Glockengiesserw Caspar David Friedrich (1774-1840). To commemorate the 150th auniversary of his death, this exhibition shows 40 sepia, Indian drawings and watercolours of the German romantic artist. Ends July 1.

Darmstadt

Mathildenhöhe, Duke Ernst Ludwig, who ruled between 1892 and 1918, instituted the Matisis, inscrimen the mar-hildenhöhe's the arts centre Kün-stlerkolonie, one of seven build-ings by architect Maria Ulbrich, called Ernst-Ludwig Haus, it was damaged during the war and now after a total reconstruc-tion it come in deems in the crief. tion it opens its doors in its origi-nal function as a Jugendatil

Madrid

Museo del Prado. Sanchez Coello (1531-1588). Some 50 paintings by this Spanish artist born in Valencia, predecessor of Velaz quez. Ends July 30. Palacio de Velazquez. Roman Bronze Objects in Spain. Over 500 objects from different Span-ish museums. Closed Mondays.

New York

first retrospective in America in 25 years marks the 80th birth-day of Francis Bacon with 80 works dating back to his figure studies of the 1940s. Metropolitan Museum of Art: The Russian Taste for French painting, representing three cen-turies of French masterpieces from the Hermitage and Pushkin

Washington

National Gallery. More than 90 prints by Edvard Munch show

in the Arts. The first major retro-spective of the work of Dame Elizabeth Frink includes 60 sculptures and 25 drawings. Ends

Tokyo Idemitsu Museum, Oriental

nate Wednesdays. Suntory Museum. Bulgarian Icons: Prayers of the Multitude. These 61 magnificent Byzantine works range from the 12th to the 19th centuries and are on

Fundacion Caja de Pensiones. Edwoard Ruscha retrospective. Closed Mon, ends July 15.

seum of Modern Art. The Museums, covers Poussin to Matisse. Ends July 29

the Scandinavian artist at his most colourful and prolific. Ends Sept 3. National Museum of Women

Ceramics from the Topkapi Pal-ace, Istanbul, Closed Mondays. Telen Museum, Perfume Bottles by René Lalique, Closed alterloan from collections in Bulgaria Closed Mondays. SALEROOM

# Bankrupt brothers make good

Nelson Bunker Hunt and his brother William Herbert became very rich bankrupts on coin produced around 410 BC Tuesday night when Sotheby's raised \$20m (£11.6m) from selling their collections of Greek and Roman coins, Greek vases, and Greek, Roman and Etruscan bronzes. The Texan brothers were at one time among the richest men in the world when they attempted to corner the silver market in the 1970s, but their ambitions outstretched their means and the collapse of the Texan oil market has brought them to financial ruin. Their collections must be sold to satisfy credi-

The Hunts had been advised to buy coins and antiquities at a time when they were expensive. Subsequently their prices slumped and many of the objects offered carried estimates reflecting a real loss in value. In the event the quality of the goods attracted keen bidding, and the result far exceeded expectations, establishing many records - for an antiquities sale; for a Greek vase: for an ancient coin. There are more sales to come, including one today.

The record for a vase was the £1,023,256 paid for a frag-mentary Attic red figure krater, signed by the artist Euphronios around 510 BC. Its decoration depicts the battle between Kyknos and Herakles. The coin record was the

and finely engraved with eagles and animals, and one of only eight examples known to exist. Everything offered sold. At the same time Sotheby's was producing records for the Spanish artist Sorolla y Bastida; for Lord Leighton; for Hicks and Lear, among others, at its auction of 19th century paintings in London. The auction totalled £10.3m, with 23.42 per cent unsold. The Sorolla, of fisher girls on Valencia beach, sold for £1.815m; the famous Lord Leighton of "Dante in Exile" for £1.1m; the equally famous Hicks - of the 1860 scene at the General Post

Office just before closing time

- for £231,000; and a luminous

Lear view of Corfu for £132,000,

The 35 paintings sent for sale

by the British Rail Pension

Fund produced £6.17m. The continentals noticeably outshone the Victorians. A Corot nude was near its low estimate at £1.65m and a French dealer paid £836,000 for a view of the clock tower at Ornans by Courbet. In comparison a small version of a famous Victorian painting, "King Cophetus and the Beg-gar Maid" by Burne-Jones, which had stayed in the artists family for a century, went for

only £242,000. **Antony Thorncroft** 

# FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Thursday June 21 1990

# **Encouraging** Mr de Klerk

EVENTS in South Africa over the past few weeks have reinforced the view that President F.W. de Klerk is committed to fundamental change. and that the momentum created by last February's release of Mr Nelson Mandela is unstoppable. Hospital services are being desegregated, racial discrimination in public amenities will become unlawful from mid-October, emergency pow-ers have been lifted except in the province of Natal, and more political prisoners have

Some elements of apartheid remain, such as the Group Areas Act. The authorities retain draconian legislation. retain draconian legislation. The gap between the government and the African National Congress (ANC) over a new constitution remains wide, and formal negotiations have yet to get under way. But it is caviling to suggest, as some anti-apartheid campaigners do, that there has been no significant change and that no reasonaisal change and that no reappraisal of western policy towards Pre-toria is warranted.

For the European Commu-nity, the first opportunity for a co-ordinated response comes this weekend at the Dublin summit. There is no doubt that Mr de Klerk will be praised for the courageous steps he has taken since he took office last September. The question is when to offer something more tangible than encouraging words, without setting the Community at odds with itself, and the United States.

Britain has already moved unilaterally to lift a voluntary ban on new investment. The Community should follow suit. But Pretoria will reasonably expect further respite from some of the measures intro-duced when South Africa was under the intransigent rule of

## Two packages

They came in two packages. In September 1985 the Community agreed on a rigorous enforcement of the already existing arms embargo; cess tion of oil exports; bans on exports of police and army equipment, and on new collab-oration in the nuclear sector. Further measures were agreed in September 1986, when the Community banned imports of South African iron and steel, and gold coins, and placed a han on new investments. There is now a strong case for the Community to take fron and steel, and gold coins, off this list, making clear that other measures will only be lifted when justified by prog-ress at constitutional talks. uch midnight off has been burned by British officials and advisers to devise European monetary pro-

posals, alternative to those of

posals, alternative to those of the Delors Report, before the coming EC Summit in Dublin. The attempt has been to make them positive and for-ward-looking, without com-promising Mrs Thatcher's pas-sionate opposition to a single European currency or Euro-pean central bank. Their labours are not without prece-dent, as previous generations

dent, as previous generations

of schoolmen tried to square circles or find a philosopher's stone which would turn base

But even if my initial reac-

tion is unfair and their merit

turns out to be great, the latest

British proposals have been

put forward far too late to influence opinion in the Com-

munity, most of whose mem-

bers are already committed to

a single currency to be

achieved by the Delors route,

involving the setting up of

Eurofed, a European central bank along the lines of the

Bundesbank and at arm's

length from national govern-

ments. They are prepared to go ahead on their own, leaving Britain and the weaker Medi-

terranean countries to join

Whatever happens in Dub-lin,the British Government will

be presenting its latest propos-als to the Intgergovernmental Conference (IGC) on Monetary

Union, due to start in December. The original 1989 British

counterproposals, were entitled An Evolutionary Approach to Economic and Monetary

Union. Their essence was a development of the generally accepted Stage One of the Delors Plan. This starts on

July 1 and involves membership of the Exchange Rate
Mechanism by every membera commitment strongly reiterated for Britain by the Chancellor, John Major, last night.
If there is a Single Financial

Area, with no exchange or capital controls, and realignments become rarer and eventually disappear, the different Euro-

pean currencies will become

effectively interchangeable; and the EMS could evolve into

a system of permanently fixed exchange rates.

Treasury Paper did not draw the inference) the pointless-ness of having 12 different

kinds of pieces of paper and coin would become clear, and

as the Bank of England Gover-

nor said yesterday: "Europe should move to a single cur-recy as quickly as possible."

There is thus a continuum running from: the early ver-

sion of the EMS as a system of

managed exchange rates; to the EMS of recent years with its emphasis on avoiding

realignments: to the EMS of

tomorrow where realignments

are eliminated; to the EMU of the day after tomorrow with

irrevocably fixed exchange

rates, and finally a common currency. The biggest single transfer of sovereignty is in joining the EMS.

The British Government's emphasis shifted to the "evolutional shifted to the "evolutional shifted to the "evolution

tionary approach" when it realised how extremely reluctant

people are to give up a familiar currency except at times of hyperinfiation and monetary

now shifted back to competing currency ideas. But instead of

By then (although the 1989

later if they wish.

metal into gold.

## New outlets

The economic benefits of such a move will be slight. South African steel manufac-turers have found new outlets, and Pretoria is unlikely to depress an aiready gloomy gold market by re-introducing the Krugerrand. But the psychological impact on white South Africa, whose unease was illustrated by the ruling National Party's narrow victory at a recent by-election, could assist Mr de Klerk to put his case for change to the white electorate. It will also send a signal to the ANC, which wrongly clings to its refusal to suspend the "armed struggle," and advocates strengthening rather than easing sanctions. The justice of the ANC's cause is undeniable. But it cannot expect to dictate the sanctions agenda in the face of continu-

ing reform in South Africa.

The prospect of such steps from the Community as soon as this weekend is unlikely, such are the divisions within its ranks and the preference for consensus. It may also be argued that they would leave Europe even more out of step with the US, whose sanctions are already much tougher: coal, uranium, agricultural produce, air links and private loans in addition to EC measures. But this gap is unlikely to be bridged. Washington's stance is determined as much by domestic electoral consider-ations as by the welfare of

In the immediate future the EC leaders may do little more than pat Mr de Klerk on the back, withholding carrots until a further step down the reform path has been taken, notably the start of constitutional the start of constitutional talks. But it would be ironic if the phrase so frequently applied to inadequate South African reform efforts in the past - too little, too late -were to describe such a grudg-ing response to the real thing: It is time to start thinking about ways to stimulate the

# A policy for part-timers

EUROPE's Social Charter of workers' rights is not a mirage after all. The first draft directives to emerge from the vague declaration of principle are remarkable both for their scope and for the way in which the Treaty of Rome has been invoked to justify them. If implemented in full, they would force broad changes in social security and employment conditions in each mem-ber state of the Community.

The directives deal with part-time and temporary workers, a group which represents a rapidly growing form of employment. In Britain, Den-mark and the Netherlands, part-timers now form at least 23 per cent of the workforce.

All employees working more be entitled to the full range of pension and sickness schemes provided by employers. They would get benefits from each country's national insurance system. They would also have to pay social security contributions: many workers in states such as West Germany would enter the fold for this regres-

sive form of personal taxation for the first time.

These proposals should pro-vide food for thought for both national governments and employers. The Commission describes these workers as "atypical," which is also how many employers still treat them. Part-time workers, most of whom are women, are often seen as expendable. They are given less training, and fewer benefits. Only a minority of employers makes a serious effort to harmonise benefits.

This is a mistake on their part. The growth in part-time employment has been fuelled by the desire of employers and workers for flexibility in working time. It is in employers' interests to make better use of part-timers, whose talents are often ignored.

# Limited reforms

The same strictures apply to national governments, whose social security regimes are constructed on the post-war assumption that work must be full-time. It is clearly wrong that an increasing proportion of the workforce is excluded from national insurance benefits. The British Government has already made limited reforms of national insurance to address this anomaly. So the Commission's ideas

have some merits. It is the way in which it seeks to enforce them and its justification for doing so that are wrong. The Commission says differentials in social security contribution for part-timers constitute a dis tortion of economic competition among EC states under the Treaty of Rome.

# Distorting competition

The most charitable explana tion for this argument is that it is simply a device to get the directive passed under major-ity voting. Taken at face value, it implies that any variation in wage levels for broad categories of workers distorts competition. The Commission avoids this conclusion by saying that EC unit labour costs are wages in member states vary widely. roughly similar, although

The truth is precisely the opposite. Variations in labour costs are a mechanism of economic competition, rather than a distortion. The Commission disapproves of this process calling it "social dumping." But a distortion of competition occurs only if there is special treatment of a given industry or limited number of industries. That is not the case here

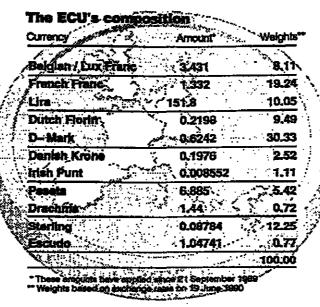
The interests of part-timers and temporary workers will also hardly be served by an enforced harmonisation of their conditions with full-timers throughout the EC Employers would then substi-tute full-time for part-time employment, and make such workers truly "atypical" once more. A better mechanism is for employers and individual governments to be free to harmonise working conditions to the extent that they judge this

affordable. Both workers and employers will benefit if the principle of subsidiarity is applied to workers' rights. National governments, employers and unions should decide how best to apply these ideas in ways that will benefit workers. Other EC states as well as Britain are likely to fight the Commis-sion's ambitions if it falls to accept this, and rightly so.

# ECONOMIC VIEWPOINT

# Spare us a 13th

By Samuel Brittan



The Ecu is a composite or basket currency. It consists of specified amounts of each Community currency. The relative amounts of the component currencies reflect their countries' economic weight and are normally revised every five years. The amounts were last changed in September 1989, when among other changes the Ecu basket was enlarged to include the Spanish peseta and Portuguese escudo. Even with unchanged amounts, the weights of the currencies constantly change as they

strengthen or weaken against each other

competition between existing currencies the competitive element is to be provided by a 13th one, the so-called "hard This is a step backwards. The first or Stage One ver-sion of the latest UK proposals seems innocent enough. It is for a European Monetary Fund to put Ecu bank notes into circulation based on the existing currency basket. The Fund would act like a currency board and would exchange Ecu notes for Community curren-cies, keeping an exact basket of national currencies as assets to match the notes issued. Thus there should be no creation of money and no risk to the Fund's solvency. Interest rates would as now be a weighted average of the constituent currencies and the Fund would

In the more interesting Stage Two, the "hard Ecu" would be created. This would no longer be just a simple basket of cur-rencies, but the Ecu would be defined so that it could never be devalued against any Community currency. If the Mark were revalued, then the quanpresent practice - be increased to maintain its DM value. But should the German currency pass through a weaker phase and the Dutch guilder appreciate at its expense, then the basket would be enlarged to maintain its guilder value. The "hard Ecu" first

emerged in a Report for the Invisible Exports Council by Sir Michael Butler of Hambros and Mr Paul Richards of Samuel Montagu. This was origi-nally presented to Mrs on all sides that Sir Michael performed "a magnificent sell-ing job." But Mr Major was anxious to emphasie last night the differences between Butler and the British Government's

latest proposals.

In Stage Two the EMF would issue hard Ecu deposits or notes in exchange for national currencies. Initially, the interest rates it would pay would be derived from a weighted average of the interest-bearing deposits it received in different deposits it received in different currencies. But eventually, as the market developed, the EMF tity of other currencies in the basket would - in contrast to move to "setting interest rates

by the normal central banking techniques, through the cre-ation of money market short-ages which would be relieved at the chosen interest rate." Such techniques presuppose that the hard Ecu would have developed sufficiently towards a European money for banks to

a European money for banks to wish to hold reserves at the EMF, as they do at the Bank of England or Bundesbank. If the EMF were to develop thus far, then it would be an embryonic European central bank, with all the supranational elements the Prime Minister dislikes. Its objectives could be achieved more simply, and without excursions into unresolved monetary theory, by the Delors

The Bundesbank has always opposed parallel currencies. partly out of understandable fears that they would be infla-tionary, and partly on the grounds that they would be unnecessary. I doubt if any a priori reasoning could determine in advance whether the proposed techniques could eliminate the inflationary dan-ger. But as the head of the Bundesbank, Karl Otto Põhl. remarked in a memorandum to the Delors Committee, a paral-lel currency would be useless for day-to-day payments.
Tactically the new proposals

risk creating an unnecessary gulf between the UK and the Bundesbank. The latter body has been disposed to make haste slowly by accepting the Delors concept, but making sure that conditions were right before it could recommend to the German people that they give up the Mark. The UK Government would do well to follow the same path.
But the basic objection was best expressed in another Delors memorandum by the head of the Netherlands cen-

tral bank, Mr W.F. Duisenberg. Economic and monetary union requires economic convergence and the acceptance of loss of sovereignty implicit in the abolition of the exchange rateas the adjustment instru-ment. The development of the Ecu into an international currency used in parallel to national currencies cannot enable us to avoid this require-ment. Nor can it facilitate its realisation."

realisation."

But I will give the final word to a report, European Monetary Union, just issued by the Institute for Public Policy Research, the (very mildly) left-wing think tank. The authors' preferred option is some version of the Treasury's original "evolutionary approach." But they then along the majority of our European The majority of our European partners now prefer a rapid transition to EMU...For Britain to remain outside would be the worst of all worlds...The elimination of exchange rate risk within EMU countries would marginalise the UK as a trading partner. It could also make Britain less attractive for inward invest-ment from the US and Japan ... The role of London as a financial centre would be put at risk." If a gradualist "the UK should accept the majority EC view, since the

be far worse." Whichever British political party first accepts this cop-mmon sense advice will receive some brownie points from Economic Viewpoint.

alternative of standing aside

from the whole process would

**BOOK REVIEW** 

# Radical school of thought

ohn Chubb of the Brookings Institution and Terry
Moe of Stanford University have a beguiningly simple explanation for the low quality of American public schools. It is, they argue, an incvitable consequence of the US's decision to control public schools through direct democratic processes rather than the market. A large body of research, they say, shows that effective schools share characteristics

such as strong leadership. rigorous academic standards. high levels of parental support, and good discipline. These desirable attributes, moreover, tend to emerge only if schools enjoy considerable autonomy. But this, they claim, is rare in the US because public schools are enveloped in layers of bureaucracy - from local school boards, superintendents and district offices to state education departments and the

lederal government.

Most reformers, say Chubb and Moe, believe that achools could be "made" better if exist-ing institutions would only mpose the right regulations higher qualifications for teachers, say, or new curriculum requirements. The authors argue that such an approach, which has been tried by many states during the 1980s, is bound to fail. Existing institu-tions cannot solve the problem because they are the problem: the key to better schools is institutional reform.

Chubb and Moe say that public authority must be used to create a system "that is almost entirely beyond the reach of public authority." It is no use delegating powers to schools, parents and teachers because delegated authority can always be withdrawn. So far as possible, powers must be permanently transferred to individual schools.

The authors' proposal for eforming US schools has four main elements. Deregulating supply. Any

organisation that meets mini-mal criteria (roughly those for accrediting private schools) should be chartered as a public school and granted the right to accept students and receive public money. Funds to follow students.

Each district should contain a "choice office" which would maintain records of all schoolaged children. Schools would be compensated by this office according to the specific chil-dren they enrol – disadvan-taged students, for example, might be allocated a larger than average subsidy.

• Freedom of choice. Pupils, advised by choice offices, should be free to apply to any public school within their state, regardless of district. Schools would be free to reject particular students provided they respected general non-dis-

• Institutional autonomy. Schools should be allowed to run themselves in whatever ways they regard appropriate. In particular, no curriculum or assessment requirements should be imposed by state

crimination rules.

POLITICS, MARKETS, AND AMERICAS SCHOOLS By John E Chamb and Terry M Mee

Published by Brookings Book £23 95 clock, \$10.95 paper. authorities. Accountability

would be imposed "from below" by the free choices of parents and students. These proposals resemble

the choice reform strategies being introduced in several us states. In stinnesots, for exam-ple, students are allowed to attend schools outside their districts, with state and local money following them, pro-vided the receiving district has room and racial balance is not adversely affected.

The Chubb-Moe plan, however, goes a good deal further than anything yet tried. Min-nesota is at the cutting edge of reform but it is only allowing students to choose from existing public schools. Chubb and Moe argue that their plan to deregulate the supply of public schools would offer huge addi-tional benefits. They also complain that all the traditional institutions of control remain in place in Minnesota: recent inges, therefore, could casily

Chubb and Moe support their arguments with a pains-taking analysis of a large sam-ple of US schools. They claim this data supports the view that direct democratic control is incompatible with school autonomy and hence with high educational standards.

It is a pity, however, that no attempt was made to interna-tionalise this study. US origst about the state of public education has arisen in large part because international comparisons show American pupils in such a poor light. Japanese students, in particular, appear far ahead in rigorous subjects such as mathematics.

The question Chubb and Moe fail to address is why schools in countries such as Japan West Germany, Sweden and France appear to achieve much higher average standards than those in the US. They have not done so by abandoning democratic control of schools and relying on market mechanisms
- which is not to say, of course, that such a strategy might not result in still better performance. Chubb and Moe's reforms

could prove effective in the US, a society which has traditionally put a strong emphasis on market solutions and individual choice. But international experience suggests that is would be a mistake to regard them as a panacea. Choice clearly matters, but so do other factors such as curriculum requirements, examination systems, teacher pay and quality, school budgets, parental attitudes, and social circumstances. Complex problems. unfortunately, tend to reculre

Michael Prowse

# Real French

■ Everyone knows that the French are passionately interested in their language as a vehicle of expression. But the real passion of the French is their absorption in the mechanics of the language: the endless intricacies of its

lesson

rules of grammar and spelling. On Friday France will mourn the last of the weekly television book programme Apostrophes, which has been chaired for 15 years by Bernard Pivot. But there would be a revolution if he were also to give up his major triumph, which has been to turn the traditional torture of the French classroom, the really difficult dictation, with obscure words and impossible spellings, into a hugely suc-cessful international television

competition. Last autumn the country erupted with books (including one by Bernard Pivot), lament-ing the wild irregularities of French spelling rules. The con-troversy became so heated that the Prime Minister's opinion was solicited. Cannily Michel Rocard took refuge by setting up a Consell Supérieur de la Langue Française.

This week the Conseil has submitted a report which pro-poses limited "rectifications" on only five precise subjects. They are: the use of the hyphen, the plural of com-pound words, circumflex accents, past participles, and

The hyphen will be suppressed in a number of compound words, such as croquemonsieur (a French version of Welsh rarebit), portemonne (purse) and balamarie (a coddling pan); but it will be kept or introduced in other cases like numbers above 100, such

as cent-deux (102). The circumflex accent will not normally be placed on i or u, as in ile (isle), huitre (oys ter) or chaine (chain), except in the infinitive of verbs ending in -oitre such as natire or

# **OBSERVER**

apparatire, in the third personal singular of the imperfect subjunctive (wow!), or in five cases where the accent distinguishes between words of dif-ferent meanings: crû and dû (from the verbs craitre and devoir), jeune (starve not young), watr (ripe not wall), and sar (sure not on). As for the use of past partici-

ples, the proposed reform is too complex to be understood by foreigners. Divers anomahes (and we do mean divers, not diverse) should not be dis-cussed before children.

Poor old Will · ■ We noted the other day a tendency under the new GCSE

regime of schools to assume rather more knowledge and understanding among pupils than is perhaps the case. This is not only in economics. Two examples occurred at a well-known London girls school this week. A 15-year-old was asked what she thought of Shakespeare. After a very long pause, she said: "Well, I think that he must have been a very well-intentioned man." Another said that he "lacked sophistication".

# Israel CBE

■ Luxembourgers have sometimes shown a certain suspi-cion that Britain in general, the City of London in particu-lar, and occasionally even newspapers like this one, are out to do down their financial centre. The Birthday Honours List has come to the rescue

yet again. That pillar of the Grand Duchy's financial establishment, Edmond Israel, is now an honorary Commander of the Order of the British

Empire. The 66-year-old Israel, on the board of Banque Internationale à Luxembourg and chair-



# "Can't we have a cold war

man of CEDEL, the interna-tional securities clearing house, has been a tireless booster of Luxembourg. But he has also been promoting links with London. He believes the two money centres are complementary as much as competitive.
Some lines still get crossed.

however. At Saturday's Queen's Birthday Ball, Israel was ceremoniously announced as Commander of the British Embassy.

# Polish polls

■ Poland's top opinion polister during the 1980's, Colonel Stan-islaw Kwiatkowski, has taken a job with GfK, a West German market research group which has just opened in Warsaw. A discreet dinner at the Bazyliszek restaurant this week celebrated GfK's entry into Poland, the first by a major Western public opinion research company. The Colonel set up CBOS, the Polish Government's own polling centre

and probably the first in Com-

munist Europe, in the midst

of martial law in 1982. As his title suggests, he came to the trade from the army. He had been an aide to General Jaruzelski and, during Solidarity's heyday in 1981, had done psychological profiles of the movement's leaders for his chief. Later, his reports of the Communist Party's ebbing support won him little gratitude from the then estab-lishment. The Colonel now moves to

"targeting consumers ar well as distributors", according to the GfK brochure, which also offers a service in "studying attitudes and behaviour among a variety of social groups' Mr Kwiatkowski, as he is now, no longer in uniform, told the dinner guests that since free market policies have become so important, the com-

pany has a major role to play. Listening intently was fre-neusz Sekula, another nomenklatura refugee. He was the last Communist deputy Prime Minister (in charge of the economy). He is now a shareholder in Polnippon, a consulting company bent on attracting Japanese capital to Poland

# Centipedes

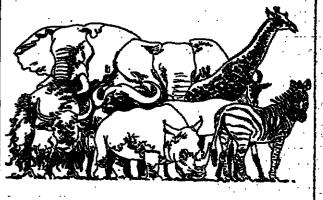
■.We knew that the centipede joke ("I like your legs") was old when we printed it on Tuesday. What brought it to mind is that it appeared in cartoon form in the current issue of the New Yorker, which sometimes prints even older jokes than Observer. Several readers have now reminded

us of the variants.
For example, what the male centipede actually said as the female centipede passed by was: "That's a pretty pair of legs, pair of legs, pair of legs, up to 50. For undisclosed reasons, this reader recommends saying it accelerando during the collect on Quinquagesima Sunday (that is, the one before

Lent).

Another reader reminds us of the female millipede, "No! No! A thousand times No!" she said, crossing all her legs

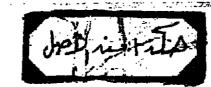
# At the heart of the **North West**

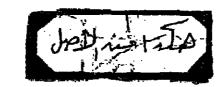


The ideal relocation habitat



Contact: Jack Miller at the Department of Planning and Development on 051-443 2251 Knowstey Borough Council, Municipal Buildings, Archway Road, Huyton, Merseyside 136 911X





There is much to play for at the London conference on the ozone layer which opened yesterday, write David Thomas and John Hunt

# Taking aim at a global issue

wave of industrial investment, costing more than \$100bn on tain to be triggered by the international conference on the ozone layer which opened in London yesterday.

More important, the 10-day

conference is a test case of the world's ability to deal with even more intractable global environmental problems, such as the greenhouse effect. In particular, it will see the first concerted attempt to bind lead-ing developing countries such as China and India into costly environmental accords.

By the glacial standards of

international diplomacy, governments have already moved with breathless haste since the discovery in 1985 of a hole in the stratospheric ozone layer over Antarctica. The ozone layer filters out ultraviolet light, which would cause an outbreak of skin cancers. Unusually for a global envi-ronmental problem, a scientific

consensus about the cause of ozone depletion quickly formed. The culprits were iden-tified as cholorofluorocarbons (CFCs) and some other substances widely used in refriger-ation, air conditioning, indus-trial cleaning, fire-fighting and aerosols. This consensus resulted in swift action to curb the use of CFCs, a cooling substance devised for General Motors' refrigeration division in the 1930s.

An agreement in 1987 known as the Montreal Protocol committed participating countries to a phased reduction of CFC use, culminating in a 50 per cent cut in 1986 levels by 1998. After 1992, consumption of halons, widely used in fire-fighting equipment, must not exceed 1986 levels.

Even some environmental groups, normally quick to expose governmental sloth on green issues, have a few kind words for the Montreal Protocol. "The world community has moved faster on this issue than on any other international agreement," says Ms Fiona Weir of Friends of the Earth.

ret it quickly became clear that the protocol needed strengthening. Scientific evidence mounted of the cumula-tive damage of CFCs and other substances on the ozone layer. Widespread depletion of the ozone layer in winter over Europe and North America was confirmed yesterday in a Greenpeace and Friends of the



Earth, have condemned the London conference in advance.

Their central concern is that the amount of ozone-destroying

chlorine in the atmosphere will

continue to rise for decades without swifter action than that contemplated by most delegations. They point to the west German plan to phase out CFCs by 1995 as a model of what could be achieved. "The danger is that the Antarctic hole will not be eliminated even before the end of the port

even before the end of the next

even before the end of the next century. The timescale is too slow and ignores other damaging chemicals," says Ms Weir. Nevertheless, even a CFC phase-out by the end of the century will have profound consequences for industry.

Large chemical companies, including Du Pont, ICI, Allied Signal Atochem. Hoechst and

Signal, Atochem, Hoechst and Enimont, account for most of the world's production of CFCs. Many have launched

expensive research programmes into CFC substitutes.

Du Pont and ICI will soon open

their first production plants resulting from this work:

Chemical industry estimates of the amount it will have to

spend on CFC substitutes by the end of the century are as

high as \$4bm.
This figure will be dwarfed by industries which use CFCs.

Estimates of more than \$100bn

have been quoted for the total costs of weaning consuming

industries such as fridge mak-

report from scientists on the UK Government's Strato-spheric Ozone Review Group. A strengthening of the Mon-treal Protocol will be the first task facing the representations. task facing the representatives of more than 100 countries in London. The European Comagreed to press for a revised agreement which would:

Phase out all CFC use preferably by 1997 and by 2000 at the latest. munity, for instance, has

 Phase out halons by 2000, with limited exceptions for essential uses such as aircraft fire extinguishers. Phase out carbon tetrachlo-

ride, a chemical used in CFC manufacture by 2000. • Cut by 50 per cent the use of methylchloroform, an indus-trial cleaning substance, by There will be considerable

haggling over the fine print. The US, for instance, is understood to be concerned about some of intermediate steps pro-posed on the way to the final CFC phase-out. It was ahead of most other countries in removing CFCs from aerosols, a rela-tively straightforward exercise. The next round will force US companies to find substitutes in more complex and costly areas, notably fridges and solvents used in the electronics industry.

The green groups, such as

inevitably speculative, although one thing seems cer-tain; they will feed through into higher prices.
Industry's worries about the

London conference are twofold: that it will result in chemicals being phased out before substitutes are ready; and that pressure is mounting for controls on some of the substitutes.

ICI's £100m research programme into CFC substitutes, for example, has so far yielded a substance called HFC-134A, which will be used as a coolant in fridges. It is spending £105m on building two plants, in the US and UK, to make this sub-stitute. Its next most promising research lines are into sub-stances, called HCFC-123 and 141B, which could be used in

However, environmental groups are now demanding controls on these substitutes: controls on these substitutes:
the HFC family contributes to
global warming and HCFCs,
also deplete the ozone layer,
albeit typically with less than
10 per cent of the strength of
CFCs. The London agreement
is likely to contain a non-binding declaration backing a phase-out of HCFCs, possibly

with a target date.

Talk of controls on CFC substitutes alarms companies such as ICI. Mr Chris Tane, ICFs as icl. Mr chris Tane, icl's marketing manager for new fluorocarbons, says the company might scrap plans to make HCFCs if an early phase-out date appeared likely. "Although we accept they will only be transitional subonly be transitional sub-

stances, even the voices of pressure groups raised against them concern us," he says.

The other big issue in London is how to persuade some of the biggest developing countries to join the 56 nations which have signed the Montreal Protocol. China and India have made it visin that that have made it plain that that they will not sign unless the developed world meets the esulting costs.

A big obstacle to developing

country participation was removed this week when the US dropped its opposition to a special ozone layer fund for developing countries. Never-theless, the size of the fund, which could grow to more than \$200m over three years, and how it will be administered, still have to be settled. There is much to play for in London

"The events last week plunge the country into a serious moral crisis. A difficult period awaits us...nobody would have thought so on December 22." (Romania Libera, June 19.)

resterday's inauguration of Mr Ion Iliescu as President of Romania should have been a festive occasion. Instead, the ceremony was marred by the violence which last week swept through Bucharest

The frightening way in which miners ransacked the headquarters of the main opposition parties prompted the European Community into freezing economic aid, while the US boycotted yesterday's ceremony. Indeed, the US went so far as to say that Romania's fragile road to democracy had been abruptly ended.

Mr Iliescu and Mr Petre Roman, his Prime Minister

who was also yesterday confurned in his post, disagree. In a defensive speech aimed at reassuring his supporters that he was still in control, Mr lliescu again spoke of "extremist political groups" who were intent on "organising and co-ordinating according to a scenario for destabilisation." So far, the authorities have been dilatory in providing evi-

been dilatory in providing evidence to support such allega-tions. In any case, despite the crackdown on the opposition, Mr Iliescu repeated that he would steer the country towards democracy.

But western diplomats and

Romanian intellectuals, who were sympathetic to Mr Iliescu and the ruling National Salva-tion Front, are sceptical. They have serious reservations about the President's ability, let alone commitment, to lead the country out of the Ceausescu era and into a demceausescu era and mo a democratic one. However, advisers to Mr Iliescu insist that stability is the crucial ingredient for building new political, economic and social institutions.

"We need time and stability in build the social and relitical."

to build the social and political structures and to create the

structures and to create the conditions for democracy," said Mr Ion Pascu, the President's foreign policy adviser.

It was that message of stability and cautious, gradual change which explains why the Front and Mr Iliescu won a laudslide victory in last month's elections. Because the Front had held power since December, it was in a position to fulfil promises to the elector. to fulfil promises to the elector-ate. It gave land back to the peasants and increased the sal-aries of the miners. Mr Iliescu also held out the prospect of well-stocked shops and an illdefined freedom. Besides, there was no coher-

ent opposition to the Front.

and the second second

# The hard road from revolution

Western assistance to Romania hangs in the balance after recent violence, says Judy Dempsey

That explains why any speculation that Mr Riescu would be forced to resign this week, is, for the moment, misplaced. Mr Pascu said: "Iliescu is the only chance because he is the most experienced politician. Yes, he is a man of the old communist system, but he is attached to democracy. My frustration is that we are not given this chance to start the democratic process."

But why, unlike the other countries in eastern Europe, are the Romanian authorities finding it apparently impossi-ble to attain stability? One reamaking any reconstruction of political life almost impossible. The intellectuals were silenced while the regime created a new class: the intelligentsia. This new cadre, recruited from a peasantry and working class being transformed by forced and rapid industrialisa-tion, enabled the regime to cre-ate a class devoted to justifying the regime's existence. They became a bulwark of con-

The few who did protest were the intellectuals, a small group whose writings Ceausescu censored. But his

formity.



The trightening violence perpetrated by miners in Bucharest last week has marred ion illescu's inauguration as President

son is the legacy the Front inherited. Ceausescu destroyed all pockets of civil society and prevented independent institu-tions from emerging.

True, the country's political

culture and brief experiment in democracy make unpleasant reading. Between the two world wars, power swung between the traditional parties the (now opposition)
 National Liberal Party and National Peasants Party – and the army, the fascist Iron Guard and the monarchy.

But the Ceausescu regime

went one stage further towards

tion to prevent the rise of any broadly-based opposition move-ment, led him into creating a wedge of distrust between the intellectuals and the other social groups. These trends intensified when Ceausescu, intent in the

disdain for the intellectuals.

combined with his determina-

1980s on swiftly repaying the country's hard currency debts, was forced to introduce rationing of food, energy, heating and social services. Although the value and number of privileges decreased, the scope for distributing patronage, particu-larly to, and by, the Securitate, the hated secret police, sharply increased as the regime sought to maintain its power. As the shortages continued, corrup-tion and bribery intensified.

Hence the December Revolution. It was made by those who had nothing to lose: youth and the intellectuals. It is these two social groups whom Mr Iliescu now needs in order to re-build the country's shattered econ-

omy and to repair the coun-

try's battered morale. But as Mr Pascu admits: "We (the intellectuals) are a tiny group." Some of Mr Iliescu's advisers and other politicians, including the Prime Minister, come from old bourgeois. left-wing families, and studied abroad. At best they represent a little island of enlightenment in a Balkan sea whipped up by corruption and fear of change. They are up against a bureau-cracy which openly supported the Ceausescu regime and which is now, unashamedly, still carrying out the same functions as before.

Mr Pascu readily admits that the Feat has done little to dis-

the Front has done little to dis-lodge the most conservative of communist bureaucrats and influence in the ministries, universities, and enterprises. But the fear of change is also

shared by the workers and peasants who think that change means the return of hardship and control by western/capitalist managers who will demand more productivity with forest amployees. That is with fewer employees. That is why the motley collection of student and intellectual dem-onstrators on University Square never had very much public support.
"We are living in the after

shock of the Revolution," said Mr Pascu. "You cannot foretell the behaviour of any social group (a reference to the miners). Everybody, the miners, the intellectuals, the people on the Square want to participate in politics. But we do not know the rules of the game."

Front officials concede that

their inexperience in dealing with a tiny group of demon-strators made them panic last week. It also proved their lack of control over the police and the army. As a result of the violence, western assistance now hangs in the balance. Without western assistance, government officials say that

the country's intellectuals will remain marginalised, the prospects of any long-term stability will fade and the country will lapse into xenophobia and nationalism. Mr Pascu and other liberals believe the next few months will be crucial in determining the fate of the Romanian revolution.

# LETTERS

# Patronage problems

From Mr William Plouden. From Mr William Plowden.
Sir, I agree with Joe Rogaly
(June 15) in deploring the way
in which appointments can be
made to key posts in British
Government, and holders of
those posts move to lucrative
positions in business, without
any effective Parliamentary

As he suggests, a formal written constitution with separation of powers might help. It might also help with the prob-lem Michael Prowse implicitly deplores (June 15) that local government in Britain has no constitutional safeguards against a central government determined to make every single decision in Whitehall. As Mrs Thatcher has real-

ised in a Government as pow-erful as the UK's the power of patronage can be used to affect every aspect of national life. It is absurd that we simply have to take every important appointment, to and by Government, as given. True, the separation of powers enables the US Compare to entire (and the US Congress to review (and reject) proposed appointments, but we do not need to wait for a rewrite of the British constitution in order to get better scrutiny of appointments.

Parliamentary select committees are inhibited from scrutinising appointments by the weakest of constitutional conventions — and less even by these than by the Parlia-mentary whips. If Government members on committees were willing to challenge the whips, and if, in consequence, committees made clear, and resolved, that they wished to examine appointments within their areas of competence, the convention that they do not do

this would start to erode.
Why should not the Government of the day have to justify its choices of chairmen or members of boards, or civil service permanent secretaries? Why should they not have to speak up for themselves?

cation

The line could by convention be drawn short of Cabinet ministers (though not, perhaps, on their later moves to the City). It could even be established that Parliamentary consent would never normally be withheld. But a reasoned defence of its exercise would be a modest thing to require. William Plowden, 12 East 86th Street,

# Labour policies for industry

From Mr Peter Slowe. Sir, I was surprised by the sar, I was surprised by the extraordinary description in your leader, "Labour and Industry," (June 11) of some Labour policies for industry as a "mish-mash."

Members of the Labour Finance and Industry Group, including a number of leading Labour figures in business and the City, have been involved at every stage of economic and industrial policy development. Our members have day-to-day experience of high interest rates, the uniform business rate, skills shortages and the £20bn trade deficit. It is they who have helped to

work out Labour's new propos-als for industry. The involvement of practitio-

# Scots belle of the Bank

From Mr Alwayn James.
Sir, For all but a dozen years ot its three centuries, the Bank has been the Bank of Britain in everything except name. It should reflect this in its selection of heroes (Observer, June 11). The Dublin-born Duke of Wellington seems to have slipped through the net, but I cannot recall any Bank of England banknote which has

Tight squeeze in Poland

to assert (Letters, June 15) that a deflationary policy for Poland does not necessarily select for closure only those industries which poison us. It

thing quite the opposite has Some steelworks have cut

for some time.

ners, rather than the theoreti-cal economists beloved of Mrs Thatcher, is why Labour now has a clear and coherent medi-

num-term industrial strategy. It includes systematic encourage-ment for training and invest-ment – not a "nanny state" but the kind of encouragement from government seen in every economy in Europe more suc-

economy in Europe more successful than ours.

More and more people in the City and in business are joining us now. They see sensible Labour policies as the only way out of their present severe difficulties. Peter Slowe, Labour Finance & Industry

Frances Stewart from Lanark-

His contemporaries, notably Pepys, were offended, but the Bank has been a tolerant sup-porter of this flaunting of the royal hochmagandies; "la belle Stewart" has been its trade

cent. I have seen no figures for metals production.

Second, your correspondents

seem to be unaware that the Polish government announced

on June 6 a package of adjust-ments to policy which begin to

hint at a change of attitude regarding intervention.

preferential tax treatment. The

focus of privatisation attention

may turn to smaller-scale pri-vatisations (shops, workshops, restaurants) where much can be achieved quickly. Central

government will divert more resources to local authority

housing and to the dairy

Wellington Street, SE18

industry.

mark for nearly 300 years.

Alwyn James, 51 Findhorn Place, Edinburgh, Scotland

Group, 46 Beech View,

# Charles II, keen to let his subjects share the buxom beauty of his Scottish mistress,

not carried the image of a Scot

Britannia, introduced
to British coins in 1667 by

# duction was down by 22.3 per cent. But the fuel-energy sector saw output decline by a com-paratively modest 20.2 per

From Mr George Blazyca. Sir, Meghnad Desai is correct has been a running complaint in Poland since January, when the new economic programme was implemented, that if any-

back production but none have closed. The "stream" that runs through the centre of Katowice is as black; the air as thick with dust as ever. But in the Lodz textile and fabric conur-Lodz textile and labrat contribution unemployment is among the highest in Poland. Food processing industry output has fallen sharply — the farmers have been up in arms

Industrial production in the state sector in May 1990 was 28.6 per cent down on May 1989 but for light industry the fig-ure was 41.1 per cent. Food pro-

# Regaining the savings habit From the Director-General of the CBL

Sir, Mr Bernard Miller

Cletters. June 15) seems intent on proposing a solution to the wrong problem. So far from British industry needing to get its act together, he seems unaware of the reality of the transformation that has taken they in the press form them. place in the past few years. Mr Miller is just plain wrong

Mr Miller is just plain wrong in suggesting that exports and manufacturing output are low, and that unemployment is relatively high in the UK. Moreover, many of the factors behind the recent sharp rise in retail price inflation are because of government action. Specifically, it is not generally understood that this month (for instance) once the month (for instance) once the official statistics catch up with reality, they are likely to show that the UK produced more in volume terms (excluding oil) than ever in our history, that exports were similarly at an exports were similarly at an all-time record, and that investment by the private sector – not just in plant and equipment but in skill training and innovation – was also at an all-time record. And, of course, unemployment in the United Kingdom is markedly lower than in almost every other important European other important European economy except the Nether

the unemployment rate is 70 per cent higher than here.
Of course there are very serious problems to be tackled --including the underlying causes of our inflationary tendencies, and the balance of payments deficit. The key to both seems to be to restore the level of personal savings to those now experienced in France, West Germany and (even) the US. This would involve an increase in saving of perhaps £25bn a year - a figure strangely reminiscent of the visible trade deficit.

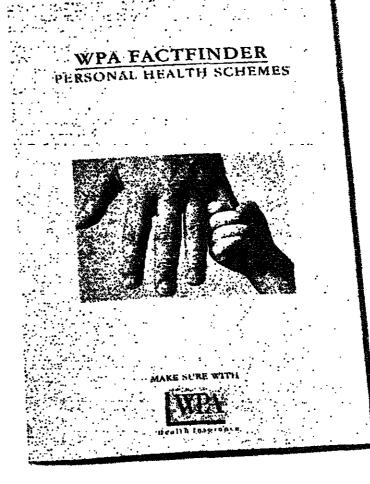
lands. In France, for instance,

There is nothing wrong with the underlying competitiveness of British manufacturing Rather a nation of borrowers and spenders needs once again to discover the habit of saving and investing as individuals - as the CBI has long been urging, and the Governor of the Bank of England reinforced just last week. John Banham, Confederation of British

It seems that the authorities have now acknowledged that the squeeze has been both too tight and indiscriminate. George Blazyca, Thames Polytechnic, Centre Point 103 New Oxford Street, WC1

# WPA MAKE CHOOSING THE RIGHT PRIVATE HEALTH INSURANCE **AS EASY AS 1,2,3.**

MAKE SURE WITH WPA



1. Send for the unique WPA Factfinder Single

AREA

3. 'Dial in' your post code

Finding the subscription for the scheme you need is as easy as that. WPA, one of Britain's largest private health

insurers, have made private health insurance easier to understand and choose than ever before.

Contact your Broker or Independent Intermediary for details, phone or post the coupon now for your WPA Pactfinder, and see how it tells you all you need to know at a glance.

And even if you already have private health, you could discover how to pay less for the same benefits - or even better! Make sure with WPA.

To 'Factfinder' Personal Health Division, Western Provident Association Ltd., Health Insuran BS481, FREEPOST, Bristol BS1 6GT. Telephone: 0272 221166. Please send me your unique Factfinder as 500n as possible Address\_

WPA HEALTH INSURANCE

# **FINANCIAL TIMES**

Thursday June 21 1990



1992 SINGLE MARKET

# End in sight for EC customs forms off dialogue

Walesa tells why he wants to be President

Bush says G7 will discuss aid for Soviets

By Lucy Kellaway in Brussels

FROM 1992 European Community importers and exporters will no longer need to fill in tens of millions of customs forms a year following an agreement by industry ministers yesterday to end all customs procedures.

The agreement will mean that all community goods will be able to move freely from one member state to another without the cumbersome legal and administrative system that has been in place for the last 20

Goods coming from third countries will still be subject to some procedures, although these will be considerably

MR LECH WALESA, the Solidarity leader, yesterday confirmed that he wanted to

become Poland's President,

saying the country needed a

strong leader as it moved to a

free market system.
"Today as we change our

system, we need a president

with a decisive and sharp axe

who leaves the democratic pro-

cess in place but is ready to

step in wherever flaws appear," Mr Walesa said in an

interview with the Gazeta Wyborcza, Poland's largest

His interview underlines the continuing clash between Mr Walesa and his former Solidar-

PRESIDENT George Bush yesterday confirmed that next

month's Group of Seven heads

of government summit in Houston would discuss west-

ern aid for the Soviet Union,

but he warned against expect-ing "some bold new initiative."

Kohl of West Germany and President François Mitterrand

of France have urged that the

issue of economic co-operation

with the Soviet Union should be high on the Houston

The US draws a distinction between what an individual

By Leyla Boulton in Moscow

THE SOVIET GOVERNMENT

has enacted legislation allow-

ing the establishment of

joint-stock companies and the

Both Chancellor Helmut

By Peter Riddell, US Editor, in Washington

By Christopher Bobinski in Warsaw

The measure will reduce the costs on companies of trans-porting goods within the Community, and is an important step towards achieving a single

Mrs Christiane Scrivener, Commissioner responsible for customs, said that the agreement showed a clear change of attitude in member states and a willingness to abolish barriers by 1992.

In the last single market council of the Irish Presidency ministers passed about a dozen measures. However, Mr Martin Bangemann, the internal market Commissioner, warned ministers against any smug-ness. He said that only 18 of

ity advisers, including Mr Tad-eusz Mazowiecki, the Prime

Minister, who want to delay Mr

Walesa's accession to the presidency for fear that their role will be reduced.

"I do not want to be president [but] I will have to be president," Mr Walesa said. "I

could have saved half of Poland from those who have

been stealing while the system is being changed," he added, referring to former Communist

Party officials who are accused of having used their position to

He challenged his political

establish private companies.

rivals to set up a separate party in preparation for forth-

supports, and an international initiative involving the US,

about which it remains highly

Speaking in Alabama, Mr Bush noted European interest in the subject, but said there

were "some formidable obsta-cles." He was not planning a

from the west can help the economy. But there's an awful

lot of reform that has to take place in the market and in the distribution systems. There's

some political problems that we have that I've discussed

"I recognise that support

new initiative.

the 279 measures of the Single Market White Paper had been adopted by all member states. Agreement was reached on

measures that will allow pensioners, students and playboys to settle in a country of their choosing as long as they can support themselves and do not become a burden on their new home state. The ministers also approved

two measures on company accounts, making it easier for small and medium-sized companies to comply with the existing disclosure rules set out in the fourth and seventh directives, and extended the scope to include some partner-

coming elections sometime in the next year, rather than hid-

Solidarity. "Now I will create . . . a war at the top. It is

Last weekend, Mr Mazo-wiecki appealed to the coun-

try's civic committees - which last year successfully ran Soli-

darity's parliamentary cam-paign and are the best organ-ised electoral machine in the

country - to consider estab-

lishing a formal movement to

support his government. Mr Walesa said, however, that this

created the risk of a one-party

year going to Cuba."
President Bush's advisers

are still discussing how the US will respond at the Houston

meeting on July 9-11 to the

Franco-German call for sub-stantial support for the Soviet Union. One possibility is that

individual countries will be

encouraged to do what they want, whereas any co-ordi-nated effort might be returned for further study and discus-

During talks today and

tomorrow with Soviet, German, French and British for-

eign ministers, Mr James Baker, US Secretary of State, will discuss western support

be confirmed by parliament but which was described as

being already in force, means

Prague reformer, Page 2

a war that I want to win."

behind the broad label of

The thresholds beneath which companies do not have to meet the reporting require-ments have been lifted and the terms softened.

Meanwhile, partnerships whose owners are limited companies will start having to produce published accounts. This will include some 50,000 GMBH (limited partnership) compa-nies in Germany, which hith-erto have been excluded from

The existing loophole, allowing companies to become partnerships so as to avoid the tough reporting requirements of a public company, will be

Lech Walesa: threw down a challenge to his political rivals

for Moscow as part of his nine point package of reassurance that a unified Germany within Nato will not threaten Soviet

US officials said yesterday that the package could include

West Germans paying for housing Soviet soldiers withdrawn from East Germany.

The British view, according to Mr Francis Maude, a Foreign Office Minister of State withdrawn the US is that there is

visiting the US, is that there is a case for West Germany tak-

ing steps to provide assistance which does not apply to others, but a co-ordinated unified

approach "will have to wait". Soviet warning, Page 2

Foreign companies and indi-viduals will be allowed to buy

shares along with Soviet inves-

# with PLO in protest at terror raid

THE BUSH Administration has

With relations between Washington and Israel already East peace initiative.
For the past 18 months, the

US has sought to pursue a more even-handed policy aimed at persuading both antagonists to support an Israeli-Palestinian dialogue on

But the effort has been dead-

US officials said the suspension of contacts with the PLO became inevitable when Mr Yassir Arafat, the PLO leader, refused to condemn an abortive guerrilla assault in late May on an Israeli beach. But they stressed that the move could easily be reversed if Mr Arafat formally denounced the raid and disciplined those

tion in Washington that the suspension of the dialogue could provoke further violence in the occcupied territories, some officials hope that it could, paradoxically, encourage the hardline Mr Shamir to be more forthcoming.

disclosed that President Bush had sent a long letter to Mr Shamir congratulating him on forming his new Government and urging him to renew the quest for peace, using his own

# depleted faster than expected Continued from Page 1

impact on the ozone layer, must be controlled if the bene-fits of cutting CFCs is not to be Dr Tolba is pressing for the present generation of CFC substitutes to be phased out by

the conference will centre on proposals for an aid proproposais for an aid programme for the developing countries, totalling about \$240m over three years. Dr Tolba said China had cut its requirement to \$42.1m over three years against its previous estimate of \$1.5bn-\$2bn over a decade.

India, however, which had initially asked for a high figure similar to China, had not yet put forward a revised estimate.

It is considered essential that both these countries sign the protocol as large-scale use of CFCs by their vast populations would negate any international agreement to protect the ozone layer.

# **UK** proposes **EC** currency

Continued from Page 1
.comed the Government's plans: "This ought to put us back into the middle of the discussion" on EMU," he said.
But it was also clear that many details remain to be fleshed out. These include the nature of the EMF and the time scale over which such

Yesterday, in evidence to a House of Lords committee, Mr Robin Leigh-Pemberton, Gover-nor of the Bank of England, suggested that it could take four or five years before Stage 1 ended and Mr Major's propos-als could take its place.

developments would take

# **US** breaks

By Lione! Barber in Washington

decided to break off its 18month dialogue with the Palestine Liberation Organisation in protest over the PLO's failure to condemn a terrorist attack launched last month against

strained, the suspension of contacts with the PLO amounts to a severe, though not necessarily fatal, blow to the Administration's Middle

elections and other interim arrangements for the occupied territories of the West Bank and Gaza strip.

locked for several months due to the rejection by Mr Yitzhak Shamir, the Israeli Prime Min-ister, of the PLO's demand for a role in choosing the Palestinian representatives for negotia-

Israel has long opposed the official dialogue in Tunis between the US and the PLO, which Washington initiated in December 1988 when Mr Arafat formally renounced terrorism and recognised Israel's right to exist. The Bush Administration has sought to preserve its contacts, arguing only recently that PLO responsibility for recent terrorist incidents was

unproven.
While there is some trepida-

This week, the White House elections proposal of May 1989 as the starting point. Foreign policy unlikely to pla-cate critics, Page 6

# Ozone laver

short term even with a cessa-tion of CFCs. It says CFC sub-stitutes, which have much less

Much of the discussion at

# THE LEX COLUMN

# Forget the paper, take the cash

The £1bn sale of Reedpack looks like a high water mark for the buy-out phenomenon in the UK. Some buy-outs, such as Magnet, have ended with managers forfeiting their entire investment. Reedpack is at the other end of the scale: the core group of managers are getting back 34 times their original stake. We have heard much of the entrepreneurial pluck of managers mortaging their houses to buy the business. In less than two years, it seems, each Reedpack director

can buy the whole street. The deal offers a curious sidelight on industry versus stock market valuations. It was always Reedpack's declared ket by flotation. The timing ought to be ideal, since the UK institutions are chronically long on cash and short on stock. But Reedpack's advisers had as their realistic target the multiple of ten times earnings reached by the other big recent paper flotation, Wiggins Teape. SCA is paying twice that. It seems the more surprising

that SCA can claim only 3 per cent earnings dilution this year and a 10 per cent uplift by 1992, especially since no major clo-sures or disposals are envisaged. But whereas SCA has already forecast a 10 per cent fall in its own earnings this year, Reedpack expects its operating profits growth to remain in double figures. And as a Swedish company, SCA has an attitude to borrowing remote from UK practice. The deal brings its stated balance sheet gearing from 35 per cent to 25 per cent: but that is the ratio of equity to debt.

Then again, SCA may simply have been driven by fear of missing the tide of consolida-tion in the European paper industry. If so, the deal has a certain symmetry: Reed Inter-national, which sold Reedpack in the first place, promptly spent the proceeds on the then fashionable consolidation play, publishing assets.

Globe

The battle for control of the Globe Investment Trust is now down to the last few pennies. A final bid of 210p per share would probably just have clinched it, whereas 205p looks a shade too mean to stampede the key institutions into accepting immediately. Since battle commenced a couple of months ago, the FT-SE 100 has risen by 8.4 per cent and the offer has been raised by 7.3 per cent. If the British Coal pension funds really were offering to buy Globe at a mere 4.4 per cent discount, there would be Marketing Board, which is p/e of 9.5.

unlikely to happen before the next general election, will ben-efit milk buyers. But the as-per cent yield and the limited Unigate Share price relative to the FT-A Food Manufacturing index downside for profits should support the rating in the main.

89

1987 88

hesitation.

no contest. But the discount is probably nearly twice as wide.

which explains the market's

The coal men must be hop

ing that some time over the next fortnight the market will

take a nasty dip and 205p will do the trick. But the fact that they have had to raise their bid

at all underscores their own

weakness. Having built up sub-stantial liquidity to finance the bid, they cannot themselves be

looking too good in performance terms this quarter. As

for Globe, life is never going to be the same again whatever the outcome. The big institu-

tions can look after them-

seives: but small shareholders

have another fortnight at least

A higher than expected pen-sion surplus lifted Unigate's

shares 2 per cent yesterday; otherwise, the results con-tained little to excite the mar-

ket. Despite its brand names, Unigate has not broken out of

the rut in which its various

commodity cycles cancel-each other out. Chicken profits have

recovered after the salmonella

scare but US cheese has been affected by a rise in milk prices. Bacon and ham sales

were up but high interest rates hit the non-foods distribution businesses. And a humper property profit was offset by lower profits from dairy after the disposal of almost half the TK operations.

UK operations.
A more normal level of prop-

erty profits this year may mean that the pre-tax figure is unlikely to do more than edge

up from £105.5m to £108m. The

prospective p/e of just under 10 may be sustained by two

long-term hopes: that Mr Good-

man may make a bid or pass his stake on to someone else who will; and that the

rumoured break-up of the Milk

to make up their minds.

Unigate

STC

One need only look at how Wall Street knocks computer stocks at the slightest hint of bad news to understand the UK market's twitchiness about yesterday's modest profits warning from STC. First hair results will be hit by some 220m of launch costs for a cou-ple of new ICL products: Brit-ish Telecom seems finally to be using its muscle to squeeze its suppliers: and some involuntary stock building means that instead of £90m of net cash STC is having to horrow a little. However, if full year profits are going to be flat, as STC seems to be hinting, the 15 per cent markdown in its share

The big worry is that since STC is one of the most profitable companies in a highly competitive business, its mar-gins are exposed. Add in the uncertainties about how long ICL can continue to back the downturn in the rest of the computer industry, and it is easy to see why STC shares are vulnerable to the occasional

price over the past week has

Davy

Davy seems to have learnt nothing from its long record of mishaps. Shareholders were as unprepared as ever for yester-day's had news - a £25m loss in the offshore division - and the company was as unforth-coming as ever about details and reasons for the disaster, Small wonder that the com-pany's shares have underperformed the FT-A All-Share index by 60 per cent since the start of 1982, when the first of its 1980s problems occurred. Contracting stocks have

always suffered from doubts about the accounting treatment of profits and the risks of cost over-runs on large pro-jects. Ironically, Davy was just beginning to rebuild its reputa-tion after its problems with a West German desulphurisation plant in 1988. Now the company will have to wait a long time before City confidence can be regained. Although the boost from the French assense. tion Clecim will push profits to £40m this year, the shares look-overvalued on a promoctive

## the Soviet parliament's demand that the Government that existing state enterprises can turn themselves into tors. Previously, Soviet enter-prises have been allowed to provide a comprehensive package of market-orientated reforms by September. The Supreme Soviet also empow-Soviet and foreign investors. The legislation, signed on Tuesday by Mr Nikolai Ryzhjoint-stock companies. sue shares only to employees. State enterprises will be allowed to keep the capital The Soviet Union's leading heavy truck manufacturer, kov, the Soviet Prime Minister, was described as an "impor-tant step" towards a market they raise for plant modernisa-Kamaz, announced last month ered President Mikhail Gorba-chev to issue interim legislathat it planned to sell shares to Soviet and foreign investors to modernise plant and compete on international markets. tion and other purposes but the state will get money back later, although it was not economy. Details are expected to be The document, which has to immediately clear how.

Moscow to sell shares to foreign investors



# **WORLDWIDE WEATHER**

# Gorbachev told to go

Continued from Page 1 remarks meant he would he not stand again. "It was a natu-ral comment, and I think, due to the criticism voiced against

him," he said.

One western diplomat commented: "This falls into a pattern of Gorbachev being touchy about himself, saying 'If you don't like me I can resign', then the flurry dies down and he doesn't resign. I would expect him to stay put at the July congress and

beyond."
The declaration by Uzbekistan parliament proclaiming its sovereignty and the supremacy of its republican laws over Soviet laws is unlikely to pose

as immediate a challenge to the Kremlin as Mr Boris Yelt-sin's Russia, which is by far the Soviet Union's largest and

richest republic.

Mr Yeltsin yesterday told the
Communist Party daily Pravda
that he might suspend his party membership. This would be the first time a top Soviet official has sought to be free of the influence of the Communist Party, which until recently was the only legal party in the

country.

He felt he might be more able to represent all Russians in his new post as President of the Russian Federation if he were outside the party, Pravda



This advertisement appears as a matter of record only

Twin Tower Properties Limited a subsidiary of



MINERVA Corporation plc

with the participation of

£35,395,000 Secured Deep Discount Loan Facility

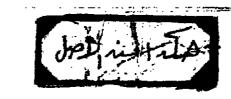
LIM-ITED

Manufacturers Hanover Trust Company

Manufacturers Hanover Trust Company Manufacturers Hanover Limited

Bank Julius Baer Manufacturers Hanover Trust Company Arab Benking Corporation (B.S.C.) Bank Burniputra Melaysia Berhad The Bank of Yokohama, Ltd. Banque Internationale à Luxerriboting S.A. Lente The Nippon Credit Bank, Ltd. Bank of Scotland BNS International (Ireland) Limited

Manufacturers Hanover Limited



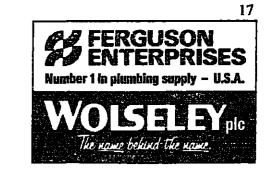


# **FINANCIAL TIMES**

# COMPANIES & MARKETS

THE PINANCIAL TIMES LIMITED 1990

Thursday June 21 1990



## INSIDE

## Siemens railies to the revolution



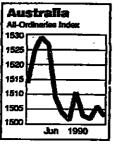
Siemens begins trading today on the London stock exchange. It is a new departure for the West German electronics company, proud of its 143-year history and tradition of solid continuity. Yet recently the com-pany has undergone far-reaching changes, including a managemen

of takeovers and an increased pace of internationalisation. David Goodhart talks to Karlhe Kaske, Siemens chief executive (above), about the "conservative revolution." Page 20

## Energy goes out of demand

Recent news of a slowdown in energy demand may be sweet music to the ears of environ-mentalists, but is bound to strike a discordant mentalists, but is bound to strike a discordant note with oil barons. Steven Butler looks at a report just released which shows that higher oil prices, sluggish economic growth and an exceptionally warm winter all contributed to the slowest growth in energy demand since 1983, Page 25

## Pessimistic in Perth



The brief flicker of hope most investors felt as the troubled Australian All Ordinaries rallied in May, was snuffed out as the index began to slide in June. The catalyst for this second decline comes from growing scepticism about unexpectedly robust growth figures, which show an apparent turnround in the economy. Kevin

Brown reports on what looks likely to be a weak market until the end of the year.

## Housing slump hinders Hambros

The slump in the UK housing market put a damper on profits at Hambros, the merchant banking, financial services and estate agency group. Losses on the retail financial services side, which includes the group's estate agency business, helped to hold earnings growth to 10 per cent pre-tax. But the group has taken measures to make the estate agency business "leaner and meaner," say executives. David Lascelles reports. Page 25

# North Sea troubles hit Davy



Problems with a contract to build a North Sea oil rig restricted profit growth at Davy Corporation, the UK engineering contractor, to less than 5 per cent. While turnover ew by 26 per cent to grew by zo per com. \_ £1.22bn (\$2bn), pre-tax £30.1m. Yet the group

had good news on the North American and the in-depth look at the results. Page 25

# Market Statistics

Base lending rates
Benchmark Govt bonds
FT-A Indices
FT int band service
Financial futures
Foreign exchanges
London recent issues
London above persing

4

London traded options London tradit options Managed fund service New int. band issues World commodity prices World stock mikt indices UK dividends annousced

# Companies in this section

Aberdeen Trust Ball (AH) Booth Industries Bradtord Property Campeau Compass Holding Continental Bank Davy Corporation General Instrumer Hambros Holmes Protection

iverchile

Jefterson Smurfil

Pembridge Inver Pharmacia Phoenix Timber Pittencrieff Procordia Quiligotti Reckitt & Colman Saatchi & Saatchi Siemens Speyhawk Stikine Resou Stirling Svenska Celli Tams (John)

# Chief price changes yesterday

365 -331.1 -298.1 -

197 176 1182 29 158 165 199 239 243 25 45 633 Lucas Indis Priest Marians Rosehaugh STC Smiths Indis Strang&Pisher Sunleigh Elec Wellcome

# Philips rethinks its data systems strategy

PHILIPS of the Netherlands, Europe's largest electronics group, yesterday announced a drastic restructuring designed to stem substantial losses in its information systems division and return the unit to profitability by

1992.
The losses have been identified The losses have been identified as a principal cause of a sharp fall in Philips' first quarter profits and the chief reason why earnings for the present year are expected to be poor. The company has not publicly quantified the division's losses but Mr Corvan der Klugt, Philips' outgoing

president, has said they amounted to many hundreds of millions of guilders

millions of guilders

The company said the restructuring would involve strategic changes in the mix of products and services that the division would offer, coupled with a heavy cost-cutting programme.

It will mean the loss this year of about 160 jobs in the company's Data Systems product group in Apeldoorn, Holland, and a further 50 jobs in the Apeldoorn infrastructure. The company said it hoped to avoid forced redunit hoped to avoid forced redun-dancies through a special lay-off

scheme for older employees.

Philips Information Systems employs about 1,300 people in Apeldoorn, 700 of them in the Data Systems group, and a total of 15,500 world-wide.

Announcement of the restruct-uring follows the collapse of talks between Philips and Olivetti of Italy. It was thought that those talks could have led to Philips transferring its computing activi-ties to Olivetti in exchange for an equity stake in the Italian com-pany. The Dutch company is believed to be continuing its talks with other European com-

The essence of the planned changes in products and services is a move to industry-standard systems and systems integration - two paths that other troubled information-technology organisa tions are taking to improve their fortunes. Examples include Norsk Data of Norway and Nixdorf of West Germany, now

part of Siemens.
Industry-standard or open systems make use of standard semiconductor chips and software which enable them to be built for a fraction of the cost of

proprietary designs. Systems integration attempts to solve customers' computing problems by putting together the most appro-priate hardware and software

from several sources.

"The development of our own system components and products will be drastically reduced," Philips said

ips said.

The Data Systems group produces minicomputers, the product area most at risk since the advent of high-powered personal computers and workstations, which are able to tackle much of

fraction of the cost. Philips announced its restructuring programme only weeks before Mr Jan Timmer will take over as president. He will replace of Mr van der Klugt who is retir-

ing early.

Financial analysts were surprised by the fact that Philips seemed to have little forewarning of the losses in its computing division.

However other companies hit by the move to high-powered personal computers and open systems also seemed to have been surprised by the impact.

# Money really does grow on trees

Maggie Urry and Robert Taylor on SCA's £1bn bid for Reedpack

ESTERDAY'S £1bn-plus agreed takeover of Reedpack, the UK paper and packaging group, by Svenska Cellulosa (SCA), the Swedish pulp, paper and packaging company, is the latest in a wave of merger moves that has gripped the European paper industry.

The rash of mergers has become increasingly frenetic, And the price SCA has paid for Reedpack — at around £1.045bn (\$1.85n) it is 20 times historic earnings — shows just how keen the provider of paper and Board in the European Community came from recycled fibre.

Some US states have now set minimum recycled-fibre content levels for certain types of paper such as newsprint. Some European Confederation of Pulp, Paper and Board in the Ruropean Community came from recycled fibre earnings — shows just how keen the provider of raw material in the so-called "urban for-eight in

A look at what has motivated the merger mania and at the current state of the paper industry, explains why there is now an element of desperation to find target companies. It also suggests there are many more deals to come.

First, the activity demonstrates a fundamental change taking place in the structure of the paper industry. The world's largest pulp and paper groups have generally been based near the source of their most important raw material — the forests of northern Europe and North northern Europe and North

These were often places with relatively sparse populations. Now there is a shift to site paper mills nearer the consumer. This is partly a desire to get closer to end users, one way of protecting against the volatile fortunes of the pulp and paper industry — witness SCA's 1988 acquisition of Peaudouce, the disposable nappy

In addition, with recycling playing an increasingly impor-

lines. Thus, there is an incentive for newsprint makers to expand

for newsprint makers to expand into recycling.

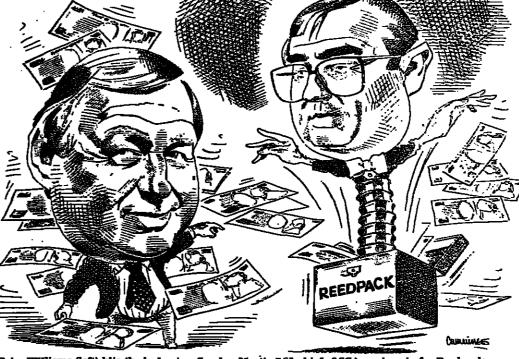
Reedpack makes newsprint from recycled fibre at its Aylesford mill in Kent. It is also planning to build a large machine there to produce annually another 250,000 tonnes of newsprint made from 100 per cent recycled fibre.

SCA, by contrast, is a leading supplier of newsprint made from virgin fibre in Sweden. By buying Reedpack, it can immediately become a recycler. That is one explanation for yesterday's deal.

explanation for yesterday's deal. Equally important is the advent of the EC single market. Papermakers are now looking at the BC as one market with a pop-ulation as large as that of the US. As well as looking at a huge potential market, paper compa-nies domiciled outside the EC fear that the single internal mar-ket may make life harder for

them.

They could be accused of • Fletcher Challenge of New



Peter Williams (left) hits the jackpot as Sverker Martin-Lôf, chief of SCA, springs in for Reedpack

dumping products in the Commu-nity or could find barriers to

nity or could find barriers to entry rising.

"If Sweden will not be a member of the EC," says Mr Bo Berggren, president and chief operating officer of Stora, the largest European pulp and paper group, "Stora must be."

Such reasoning has motivated several deals, including:

Stora, "of Sweden, paying BM4bn (\$2.4bn) for Feldmühle Nobel of West Germany.

Scott Paper of the US setting up a \$250m joint venture to take over Feldmühle's tissue paper interests.

sition of Chappelle Darblay, worth around FFrl.3bn (\$230m) - a deal in which Stora origicent stake but pulled out when it bought Feldmühle.

The Dutch Buhrmann-Tetter-

ode's £154m takeover of Robert

Zealand's successful £299m bid to acquire UK Paper. Many groups have also made cross-border investments. Nearly all the new paper-making capacity built in the UK over the last few years, for example, has been financed by Nordic interests.

But it is not only in Europe that deals are being done. Take-overs such as Stone Container buying Consolidated-Bathurst and Georgia-Pacific buying Great Northern Nekoosa were essentially North American deals. There is a worldwide urge to merge as the pulp and paper industry becomes increasingly

"In our business, size is very important," says Mr Berggren of Stora. Many grades of paper are traded internationally in large volumes and compete heavily on price. This means the lowest-cost producer makes the most money and is best able to withstand the downturns in the paper industry cycle, which can be severe.

The industry has just come to the end of the longest upswing in its fortunes that anyone in the business can remember. As profits are beginning to fall, the motivation for mergers is rising.

Size brings economies and makes production planning simpler. The international nature of the industry leads to multinational groupings.

Size is also vital when it comes to investment A new paper.

to investment. A new paper machine is costly - the one Reedpack has been considering building at Aylesford would cost £250m. This scale of investment can only be made by a large. financially strong group - which is why Reedpack had originally sought a joint venture partner for

All these motivating factors will become even more pressing in the future, ensuring that competition between the large, aggressive paper groups will grow as the number of likely targets dwindles.

# Big returns from the buy-out

By Andrew Hill in London

THE BIGGEST individual winners in the Reedpack deal are the group's chief executive, Mr Peter Williams, and top managers at the time of the buy-out

two years ago. Mr Williams will receive more than £5m (\$8.5m) - which he will take in the form of SCA convertible shares — against an original investment of just £150,000, while six board directors and three managers will each take home more than £2m.

Altogether, management and employees are set to receive about £76m. The company's top 300 managers have earned about 34 times their original invest-34 times their original invest-ment. Reedpack said yesterday that the typical general manager of a plant or site will have made a profit of £250,000 to £300,000. Some 3,000 employees of the group are expected to receive more than £10m between them.

Together with the 300 managers and board directors, they invested £6.5m in the company. Institutional investors' origi-

nal stake in Reedpack has multi-plied, like that of the employee shareholders, by about 2.5 times. Thus, CIN Industrial Investments, which runs the British Coal pension funds, stands to Coal pension funds, stands to receive more than £55m for its ordinary, preferred and preference shares. Citicorp Capital Investors Europe should get in excess of £31m, and Investors in Industry (3i) more than £40m. Globe Investment Trust, for which the coal funds are bidding will receive £30 em. ding, will receive £29.9m. Reed International, the largest

shareholder, is getting back its £60m investment in Reedpack's preference shares and £34.9m for a 10 per cent interest in its offspring's ordinary equity capital. Enso-Gutzeit and Kymmene results. Page 18; Smurfit buys packaging stakes, Page 23

# British Coal funds 'fail' in their raid on Globe shares

yesterday made the long-awaited increase in their £1bn-plus bid for Globe, Britain's biggest invest-ment trust. The announcement was combined with an instruc-tion to its stockbrokers to raid the stockmarket for up to 95m Globe shares. Added to the Coal funds' existing 34 per cent stake this would have taken the bidder

to over 50 per cent.

By the close of business, however, it appeared to have failed, by a considerable margin, in this objective. Globe, meanwhile, rejected the new terms and later claimed that its advisers knew of no UK institutions which had sold in the "failed market raid." The announcement of the increased offer came in the early afternoon, with BCPF raising its share. The new offer values Globe at £1.11bn, compared with £1.03bn previously.

El. Gibn previously.

Earlier in the day, Globe had already announced that, as a result of the agreed offer from Svenska Cellulosa for Reedpack, there was likely to be an increase of 2.8p a share in its net asset value. Globe owns a 5.5 per cent stake in Reedpack, which it acquired for £12m. This had been revalued to £14.6m, but Globe should now realise £29.9m.

BCPF said that it had taken this uplift into its calculations

when setting the new terms. It claimed that the new offer was arrived at by taking a basic net asset value of 214p for Globe. It then adjusted upwards for Reed-pack and dealing investments and properties. It also made cer-tain deductions for Globe's bid

defence costs and the write-off of its holding in British & Common-

The stockmarket raid, meanwhile, brought an inconclusive result. BZW, BCPF's stockbrokers, declined to say how many shares had been acquired. But the Stock Exchange Automated Quotations service showed 51m shares traded.

Allowing for double-counting that would suggest that upwards of 26m shares changed hands around 5 per cent-plus of the

equity.

BCPF already owns just under
34 per cent of the shares, and had
acceptances for a further 1.42 per cent at Monday's close. That took it to 35.4 per cent at that date. Globe's share price ended the day

# **Profits warning hits STC shares**

By Alan Cane in London

THE SHARE price of STC, the UK-based information technology group, fell sharply yesterday as the City of London reacted to a profits warning from Mr Arthur Walsh, STC chairman. He said that analysts' expecta-tions for the first half of the year were too high and should be

the company that the external expectations of profits for the first half of the year are too optimistic." he said. Analysts had been expecting

pre-tax profits of between £95m and £100m (\$171.4m) for the first half, but pared back estimates to between £75m and £90m after Mr Walsh's warning. The share price fell from 258p to 239p on the news. Last year, the company made pro-tax profits of 2278m on sales of £2.6bn Mr Les Cullen, finance direc-

tor, said the warning was "a rec-

ognition that we are not immune



**Arthur Walsh** 

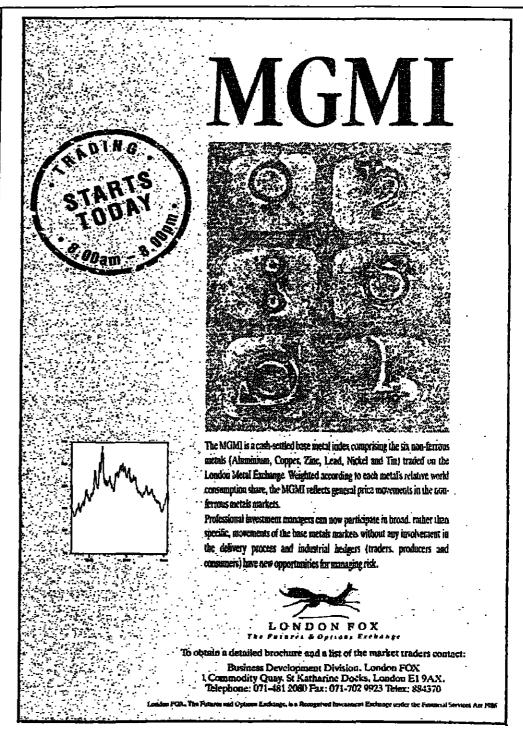
from the economic situation." It was better, he said, to bring expectations into line with the facts rather than risk misunder-

standings later.

Mr Walsh had said at STCs annual general meeting in May that the company would be profitable to the com itable in 1990 but that profits

would be blased towards the sec ond half. The cause was a slow-down in British Telecom purchasing and heavy development, and launch costs incurred by ICL, STC's computer subsidiary, in the production of new workstations and mainframe computers. It is also thought likely that local British government authorities, which are among ICL's most important customers, spent heavily on computing equipment last year and will not be able to year as their budgets tighten. Mr Cullen said the company

had already taken steps to counter the slowdown in British Telecom orders including moving some production from its New Southgate plant to the company's Monkstown factory in Northern Ireland. Assembly of facsimile machines for Amstrad had also been assigned to Ulster.



By Peter Bruce in Madrid

ALTOS HORNOS de Vizcaya, Spain's second largest inte-grated steel producer, said yesterday that it had bought 50 per cent of Bishopsgate Steel International, a UK steel trader which has controlling interests in a small steel service group in Birmingham.

The price of the purchase was not disclosed, but it marks a significant effort by the Spanish producer to deepen its penetration of European Community markets before 1992.

Altos Hornos, which owns a 2m-tonne-a-year steelmaking and rolling plant in Bilbao, has also invested in steel distributors in Switzerland, close to the Italian market, and in Portugal. Bishopsgate Steel is based in Leatherhead, Surrey.

Spanish steel producers are particularly active in the UK markets for stainless steels and so-called long products used in construction. Altos Hornos, however, specialises in flat products and is the Spanish market leader in coated strip, galvanised sheet and timplate. It said it planned to export some 40,000 tonnes of steel to

Britain this year, a sharp increase on 1989. Any further invoads into the UK market would have to be made partly at the expense of British Steel. The Spanish acquisition coincides roughly with an attempt by British Steel to buy one of Spain's most profitable steel companies, Jose Maria Aristrain, a maker of steel sec-

Earlier this year, Altos Hor nos, which recorded sales last year of Pta104bn (\$1bn), teamed up with the state-owned Spanish producer, Ensi-desa, to head off the British Steel bid. The local consortium was unable to find financing, however, and Altos Hornos said yesterday that it had with-

drawn from the attempt. Ensidesa, however, has said it is continuing to look for a way to take over Aristrain and may have found a partner in sto, the domestic commercial bank. Banesto owns Acerinox, Spain's biggest stainless steel maker. The two are understood to have invited British Steel to join their bid

# Procordia to restructure pharmaceutical business

By Robert Taylor in Stockholm

group, yesterday announced a restructioning of its pharmaceutical business following its expansion through the merger with Pharmacia, the Volvo-con-

Up to 1,500 jobs are to go and cost savings of up to SKr600m (US\$99m) are expected over two years as a result of the rationalisation programme to be carried out by the new company, Kabi Pharmacia Pharmaceuticals. This is expected to have initial annual sales amounting to SKr8.5bn and employ about 8,600 people.

Mr Jan Ekberg, president of

PROCORDIA, the Swedish new company will be a highly pharmaceutical and food group, yesterday announced a company. Eighty per cent of its sales will be outside Sweden and position us among the 20 largest pharmaceutical compa-

nies in Europe." He added that the restructuring required was in line with the international pattern in the pharmaceuticals industry with a greater devotion of resources to research. The new enterprise involves

the merger of three Swedish companies - KabiVitrum, Pharmacia LEO Therapeutics and Pharmacia Ophthalmics. The company said that between 500 and 600 of the Kabi Pharmacia, said: "The 1,300 to 1,500 jobs to go would

be from foreign subsidiaries, but it gave no details. However, Kabi Pharmacia

pointed out that the trade unions in Sweden were sup-porting the proposed changes but that the company intended to pegotiate on them with union leaders in line with Sweden's labour laws. The net job loss is expected to be achieved

through natural wastage.

Fermenta, the Swedish pharmaceutical and finance group, announced a 38 per cent rise in profits after financial items to SKr76m from SKr55m for the first four months of the year. Turnover rose 30 per cent over the same period to

# Nordstjernan falls 75% at four months

NORDSTJERNAN, Swedish property and construction group, yesterday reported a 75 per cent fall in profits after financial items to SKr118m (\$19.5m) for the first four months of 1990, writes John Burton in Stockholm.

Nordstiernan said this week it was considering making a bid for Speyhawk, the UK prop-erty group of which it holds 5 It blamed the lower profits

the stainless steel manufacturer, and the Johnson shipping line. It predicted that profits would be lower this year

Sales increased by 21 per cent to SKr8.2bn, primarily reflecting growth in its NCC construction division. Extraordinary income amounted to SKr248m due to the sale of its subsidiaries, Databolin

the on poor results from several of and Hedemora Separation. con-its subsidiaries such as Avesta, Nordstjernan is restructur-Nordstjernan is restructuring its operations, increasing acquisitions in the construction and property sector while divesting its interests in some non-property areas.

It recently agreed to sell the Johnson Line and related shipping activity to Effoa of Fin-land. Nordstjernan estimates that the deal will net it an extraordinary income of SKr600m this year.

MR GIANCARLO Parretti, the Italian financier, has asked the European Commission to overturn the Paris Government's decision to block his bid for the French cinema group, Pathé Cinéma, writes William Dawkins in Paris.

Mr Parretti, who already owns 46 per cent of the group that gives its name to his Hollywood studio, agreed last month to pay FFr512m for another 52 per cent of the cinema company owned by the Rivaud banking concern.

Mr Pierre Beregovoy, the Finance Minister, last week exercised his right to veto the deal, on the grounds that it was of a nature to call public order into question." Mr Parretti is asking Brus-

sels to lift the ban on the grounds that he believes it contrary to European Community anti-discrimination rules.

COMPANY NEWS IN BRIEF

The West German federal Cartel Office approved the takeover by Bayerische Motoren Werke and Rolls-Royce of the UK of the aerospace technology activities of Klöckner-Humboldt-Deutz, Reuter

The Cartel Office said the takeover would stimulate competition in the military and civilian aero-engine market. BMW and Rolls-Royce announced the planned joint takeover last month.

■ Banco Central, the Spanish bank, and UAP, the French insurer, signed a three-year co-operation agreement, Reuter Banco Central will take a 25

per cent stake in UAP Iberica and UAP will acquire 25 per cent of the Spanish bank's insurance subsidiary Vasco

Mr Alfonso Escamez, Banco Central chairman, said the lon-gerterm goal was to set up a joint holding company to expand in markets in Europe and Latin America, as well as Spain. Central and UAP had agreed to a three-year "test during which the French insurance company would use Central's extensive banking network lster its operations in Spain.

■ Solvay, the Belgian chemical group, said its Solvay America unit signed a final agreement with Kuhlman Corp of the US to buy its blow-moulded plastics operations for \$45m.

# Placer may have taken control of Stikine

By Robert Gibbens in Montreal

PLACER DOME, North America's biggest gold producer, appears to have won a contest for control of Stiking Resources, the Vancouver exploration company which owns half the rich Eskay Creek gold property in north-western British Columbia.

But Stikine stock's performance in the market yesterday suggested the battle may not be over. The shares rose to C\$69.50 in the market early yesterday, or C\$2 above the Placer hid. Some analysts said this might indicate a new offer from Corona.

Placer said it now owned 45 per cent of Stikine's 3.4m shares, following its C867.50 a share offer, which expired on Tuesday evening. The bid val-ued Stikine at C\$230m (US\$196m).

Placer has now extended the bid to July 4, 8pm Toronto time, to give the holders of Stikine shares, rights and convertible securities more time to tender.

Placer already held 9 per cent of Stikine by Tuesday, and said 1.24m shares had been tendered under the bid. No statement was immediately available from opponent Corona, the Ontario gold pro-ducer led by financier Mr Ned Goodman. Corona offered a share exchange package val-ued by most analysts at C365 to C\$70 per Stikine share, based on present bullion

Mr Goodman maintains that the real value would be much higher. Corona's offer required a restructuring of its assets by september 30 and a merger of Stikine into a new company, Corona Gold. The latter move required approval from 75 per cent of Stikine shareholders, a proportion now beyond

Corona's grasp.
Ownership of the Eskay Creek property, worth about C3500m, now appears to be 50 per cent Placer through Stikine and 50 per cent Prime Resources, an exploration group headed by promoter Mr Murray Pezim, and which is 20 per cent owned by

SWEDISH FOREST PRODUCTS

# Kymmene profits the year more than halved with weak

KYMMENE, the Swedish forest products company which is buying Chapelle Darblay of France for FFr1.32bm (\$236m) yesterday reported a sharp fall in group pre-tax profits for the first four months of 1990 to FM251m (\$44.7m) from FM601m

Kymmene, whose UK subsidiary yesterday announced an agreement to sell Star Paper for \$47.5m (\$81.7m), blamed a further weakening of the global rise in forest products, which began to falter in late 1989, for the collapse in profits. Sales prices, order books and capacity utilisation fell com-

pared with a year ago, Kymmene said. Group turnover rose to FM4.24bn from FM3.69bn

Kymmene said foreign exchange gains contributed FM8m in the four months,

compared with FM152m a year ago. Mr Casimir Ehrarooth, chairman, said the benefits of a cost control and productivity drive in Kymmene's domestic subsidiaries would become apparent in the coming years.

Mr Ehrnrooth also said that earnings had been affected by difficulties in running-in new production lines, but that these problems would be resolved. Investment in new production plant had also raised depreciation costs.

He said that strongly rising costs had reduced margins. Paper and pulp sales prices were down about 5 per cent on last year's levels, partly because the markka appreciated against major currencies.

Group paper output was 9 per cent up at 712,000 tonnes. while chemical pulp output fell 2 per cent to 430,000 tonnes.

# Finnish paper group hit by sharp increase in costs

By Enrique Tessieri in Helsinki

ENSO-GUTZEIT, the Finnish state-owned paper group, reported a drop in four-months pre-tax profit before minority interests and extraordinary items to FMi65m (\$41.7m) from FM501m, reflecting sharp increases in costs and the downturn in paper markets. A sum of FM154m in

exchange gains was included during the first four months of 1989, when the Firmish markka was revalued by 4 per cent.

Sales rose only by 1.7 per cent to FM3.37bn from FM3.32bn. Earnings per share dropped to FM0.44 per share from FM3.26.

Sales in the pulp and board division fell to FM748m from FM800m, while wood products sales dropped to FM562m from FM768m. In contrast, line paper sales rose to FM743m from FM616m, while the publication paper division also lifted sales to FM605m from FM561m.

# Increase for Wärtsilä

WARTSILA, the Finnish diesel, securities and sanitary equipment group, said net profit before extraordinary items during the first four months of 1990 had risen to FM213m (\$53.8m) against FM148m a year earlier, writes Enrique

Acquisitions at the end of 1989 helped raise consolidated sales during the first months of this year by 40.4 per cent to FM1.65bn. Consolidated operating profit rose to FM180m from

Wārtsilā expects sales to reach FM5.5bn this year. This figure has been adjusted to take into account this month's sale of Wartsila's ceramics division to Hackman.

The diesel division saw sales rise by 22.7 per cent to FMS36m, while its sanitary equipment division sales only increased by 4.9 per cent to Due to acquisitions, the secu-

rity division saw its sales surge by 67.6 per cent to

# BfG starts earnings

By Katherine Complete. in Frankfurt

BANK für Gemeinwirtschaft of West Germany continued Ha poor carnings performance in the first four months of res according to Mr Paul Wilston the new chief executive of the troubled ex-trade union bank

Extraordinary income, brin-cipally from the sale and lease each of its Frankfurt office. allowed BIG to report parties operating profits of Dicision (\$211m). Without this, how ever, and with the same level of provisioning, the bank would have shown a loss for

The bank took substantial though unspecified, writeand loan portfolio, and net interest income fell to DM766m, nearly 15 per cent lower than 1988. The picture had worsened

this year, on account of con-tinuing higher interest rates and average margins down to 1.24 per cent from 1.4 per cent. Mr Wieandt said, giving no precise figures.

Earnings at BrG. which since 1987 has been majority owned by the insurer Ancheser and Münchener, have suffered through involvements with a series of troubled clients, most recently the Co op retailing chain, which last year was re-cued from the brink of bankruptcy by a group of banks.

HfG, which ended up owning
a 23 per cent stake, is currently involved in talks about the resale of parts of Co on Mr Wleandt, who joined in March,

has been spearheading a strate-gic review of the organisation in the wake of the Co op debacle, with the help of Boston Consultancy Group.

Refusing to dwell on the sweeping rationalisation measures until the review is com-plete at the beginning of July, he still promised "a completely

new BiG" at the end of the rearrangement. The bank's two shareholders, A&M and BGAG the trade union holding com-pany, receive no dividend for 1989, and the possibility for a 1990 payout has also been vir-tually ruled out.

In addition they are being asked for a capital injection of DM1bn.

# Which company does business with over half the Financial Times 500?

The answer is NYNEX®. You'll find us solving information needs in over 70 countries around the world. More than 92,000 people are part of the NYNEX family of companies, each helping customers communicate a little easier, and a little faster.

Take our 2,000 people in The BIS Group, for example. BIS Banking Systems provides information solutions to customers in the financial services community worldwide. The Midas ABS family of software products offers sophisticated real-time software solutions designed to meet the needs of International Banking.

BIS Applied Systems is a major consultancy organization with technical skills embracing all aspects of information systems planning, resourcing and management.

BIS Mackintosh, BIS Shrapnel, and BIS CAP International provide research-based consulting internationally to information, technology vendors and users. Brann Direct Marketing, another BIS company, provides a complete

portfolio of direct marketing services including direct mail, telemarketing and other media. In the U.S., NYNEX maintains over 14.4 million customer lines. Which is why so many countries ask NYNEX International to help them do

the same thing. The staff at our Science and Technology Centre make sure that we stay on the leading edge of technology, so that the solutions we recommend to our clients will be relevant for many years to come. The results are seen in some of the most advanced high-speed voice, data and video networks in use today.

Since NYNEX has been in the business of communications and information management for over one hundred years, we've developed an understanding of a great many industries. NYNEX International works with over 14 different countries.

providing information and communications services. Alliances are formed with major telecommunications organizations such as British Telecom, France Telecom and Telecom Australia. Together

we develop and apply new technologies, for example, an integrated network systems management plan and a digital cordless pocket telephone.

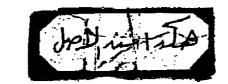
So whether your information and communications needs are as simple as a two-line phone, or as complex as a global high-speed voice, data, and video network, chances are the answer is NYNEX.

@ 1990 NYNEX CORPORATION

NYNEX INTERNATIONAL (U.K.) (071) 620 0663 (071) 928 7920

> **BIS GROUP** (071) 633-0866

Need to communicate? Need to compute? The answer is



BfG starts with weak earnings By Eastering Campbell

# INTERNATIONAL COMPANIES AND FINANCE

# Koor loss is biggest in three years

By Hugh Carnegy in Jerusalem

KOOR INDUSTRIES, the debt-ridden Israeli group, yes-terday amounced inflation ad-justed losses in 1989 of Shk595m (£293m), the biggest in three successive losses, in the

years during which it has waged a battle to stay affoat. The previous adjusted figure in 1986 was a loss of Shk449m. The trade union-owned group, which has suspended all repayments on its \$1.2bn debts since the beginning of this year, is banking on a write-off and restructuring package with its creditors, backed by the Israeli Government. But this has yet to be agreed in spite of

Offer by Hotel

oversubscribed

Plaza 131 times

HOTEL PLAZA of Singapore

said yesterday that the com-pany's \$\$70m (US\$38m) public share offer, which closed on

Tuesday, was 131 times over-subscribed, Agencies report

• Great Eagle, a Hong Kong property group controlled by

months of negotiations.

Koor, which has activities stretching from cement to food, blamed the 1989 losses principally on Tadiran, the electrical unit which is its biggest subsidiary. Tadiran's losses accounted for Shk295m of the total.

Mr Benjamin Gaon, Koor chief executive, stressed that the group had returned to an operating profit of Shk3m, compared with operating losses of Shk6am in 1988 and Shk321m in 1987.

Sales were down 9 per cent at Shk4.6bn. Excluding Tadi-ran, the rest of the group

the group's turnaround efforts in 1989.

However, the results were marred by a total of Shk465m channelled towards restructuring including heavy provisions for possible losses in Tadiran and Alliance, another unit, as

well as severance pay and inventory write-offs.

Mr Gaon blamed defence cuts for much of the trouble at Tadiran, where losses were heaviest in the military communications division, and Sol-tam, an arms producer which

turned in an operating profit of Shk50m. Mr Gaon called this the crowning achievement of lery piece which the Israeli army is now reluctant to buy. Inventory write-offs and sever-ance pay at Soltam totalled

Koor reported a 25 per cent cut in the workforce since 1987 to 23,563, and an increase in output per employee of Shk40,000 to reach Shk200,000. But the 1989 losses left Koor's equity capital at just Shk49m, or less than 1 per cent of the balance sheet. It reported an excess of current liabilities over current assets at the end of December of Shk422m.

# Japanese brokers' foreign boost

By Our Financial Staff

JAPAN'S Big Four securities houses have weathered this year's downturn in the Tokyo equity market by drawing strength from performances

subscribed, Agencies report from Singapore.

The offer was for 100m ordinary shares priced at 70 cents. It drew 184,684 applicants and attracted application funds of \$38.81bn, the company said. Hotel Plaza has been a wholly owned subsidiary of United Overseas Land, an offshoot of the United Overseas Bank.

Great Ragle, a Hong Kong in the range of 10 per cent. These were calculated by doubling the results for the previous accounting period which lasted only six months to March 1989, as the industry was changing its financial

the Lo family, said net profit fell 42 per cent to HK\$217m (US\$27m) in the six months to March 31 because of a decrease in one-time gains. Turnover virtually doubled to HK\$1.02bn from HK\$543m. The interim dividend is being lifted to 3.5 cents from 3.18 cents, and a one-for-two bonus issue is proposed.

Notice of Redemption

Amgen Inc.

8% Convertible Subordinated Debentures due 2004

Conversion Option Expires at the close of business on July 25, 1990

NOTICE IS HEREBY GIVEN that, at the close of business (Linzembourg time) on July 25, 1990 (the "Redemption Date"), Amgen Inc. (the "Company") will redeem all of its then outstanding 8% Convertible Subordinated Debentures due 2004 (the "Debentures") issued pursuant to an indenture dated as of June 30, 1989 (the "Indenture") between the Company and Citibank, N.A. (the "Trustee") at a redemption price per 45,000 Debenture of \$5,360, being 107.20% of the principal amount thereof, plus accrued interest per \$5,000 Debenture of \$26.60 from and including july 1, 1990 to but erectuding the Redemption Date (together, in the total amount of \$5,386.67, the "Redemption Price") such redemption being effected pursuant to Section 1101(s) of the Indenture and Section 4(s) of the terms and conditions of each Debenture primed on the reverse side thereof and set forth in Section 202 of the Indenture. The Redemption Price will be due and psyable on each \$5,000 principal amount of Debenture on or after the Redemption Date at the offices of the Paying Agents described below. From and after the Redemption Date, interest thereon shall cease to accrue and holders of Debentures willout insterest, upon surrender of their Debentures.

HOLDERS' OPTION TO CONVERT IN LIEU OF HAVING DEBENTURES REDEPMED

PAYING AGENTS AND CONVERSION AGENTS

336 Strand London, WC2R 1HB

COPIES OF CONVERSION NOTICES ARE AVAILABLE

Holders of Debentures who wish to obtain copies of the form of conversion notice set forth in section 205 of the Indenture may write to the Conversion Agents specified above. Copies of such conversion notice may also be obtained upon telephone request addressed to the Trustee at

Attention: Edmor (212) 412-6213

PAYMENT OF REDEMPTION PRICE

Price is psychle only to holders who have not convert the Redemption Price, Debenture holders must pro mappins at one of the locations specified above.

ARGUABLY THE

MOST PICTURESQUE

and attractive Golf Club,

in old woodlands, in

STAFFORDSHIRE.

18 hole par 71 and 9 hole par 3.

Visitors and Societies welcome.

Only £12 per round week-days. We are on the B4176 off

the A449 at Himley

Dezed: June 21, 1990

Swindon,

DUDLEY.

Swindon Golf Club,

Bridgnorth Road,

**West Midlands** 

Cinbank, N.A. 120 Wall Street, 13th Floor New York, NY 10043 Arrention: Edmand Gibbons

Telephone 0902 897031

Citibenk, N.A. Citibenk House

abroad, their latest annual fig-ures indicate.

Consolidated results for the year to March, released yester-day, show gains in net profits

year end.
However, the trend is expec-ted to be reversed this year ted to be reversed this year because of a suspension of Tokyo new issue business, agreed among the brokerage houses, which came into effect just before the end of the year. Officials at leading brokers were quoted as saying yestarday they had now decided to resume underwriting corporate paper, encouraged by the mar-

ket's recent rally which has recouped roughly half the 30 per cent fall it had showed

since the beginning of 1990.
Initially, new issues will be limited to warrants and convertible bonds. Public equity offerings will remain suspended at least until September. According to Nikko Securities estimates, some Y2,000hn (\$13bn) in equity fin-ancing by some 100 companies has been frozen during the period. As the pricing and paper-work generally takes around a

month, the first corporate bond or warrant offering is not expected until late July. expected until late July. In the latest year the Big Four's European subsidiaries, especially those in Switzerland and West Germany, were described as achieving their best results ever. These stemmed largely from Euromarket issue activity and warrant trading.

 Japan's and the world's largest stockbroker
 lifted revenues 4 per cent to Y1,208bn and nues 4 per cent to Y1,2080n and net profits 9 per cent to Y261.6bn. Its forecast for 1990-91 expects the steepest fall of the four in after tax profits, which it sees as emerging 20 per cent down, on a 7 per cent fall in income. Daiwa Securities reported that net profit rose 11.3 per cent to Y164.0bn but is project-

ing a 9 per cent retreat this year. Revenues, which rose 9.9 per cent to Y944.9bn, are expected to decline 3 per cent.

The third-ranking Nikko Securities showed a 10.4 per cent earnings gain to Y130.0bn on a 13.6 per cent rise in over-all income to Y725.5bn. Its out-

look sees profits down 15 per cent and revenues off 6 per At Yamaichi Securities net profits rose 8.9 per cent to Y108.8hn but are expected to rant trading. turn down 8 per cent in the Overall, Nomura Securities current year.

# **Compass increases offer**

COMPASS HOLDING, a new Australian airline company that plans to begin flights in mid-November, said yesterday that it had received applica-

that it had received applica-tions for extra shares at its ini-tial public offering, and would accept oversubscriptions of the 30m shares, AP-DJ reports from Sydney.

The sale of the extra shares will mean the company will bring the total raised to A\$65m (US\$50m). So Compass will not need to borrow funds to begin operations.

operations.

Mr Bill Jeffrey, company secretary, said Compass received shares were allocated.

more oversubscriptions than the allotted extra shares. The company will be listed on the Australian Stock Exchange on July 5.

Compass initially offered 100m shares at 50 cents each, and said a week ago that the allotment had been filled.

The company has also issued

10m shares to the family of Mr Bryan Grey, chief executive. His family is the biggest share-holder with 9.1 per cent. Mr Jeffrey said Compass would not reveal who its other large shareholders were until the

# Telco aims to expand as earnings **climb 74%**

By David Housego in Bombay

TATA Engineering and Locomotive Company (Telco), India's largest vehicle manu-facturer and a member of the Tata group, is to raise Rs3.1bn (\$180m) to help finance a sub-stantial modernisation and expansion programme.

The announcement of the fundraising, which will be made through a convertible bond issue, came yesterday after it declared record yearly after it declared record yearly profits and turnover. Earnings before tax for the year to March climbed 74 per cent to Rs1.5bn on a 17.4 per cent increase in sales to Rs19.7bn. Net profits rose 46 per cent to Rs1bn.

The profit increase came

despite a strike at Telco's Pune despite a strike at Teico's Pune plant which cost the company 8,000 units — meaning a total output for the year of just over 64,000 vehicles. Telco holds 70 per cent of the Indian market for heavy and medium-sized trucks, but is diversifying more into lighter vehicles and eventually ears. eventually cars.

Mr Ratan Tata, chairman, said yesterday that Telco would launch a station wagon and a Range Rover-style all-ter-rain vehicle this year before developing its own passenger

He said the group would spend Rs8.3bn on expansion, modernisation and diversification over the next three to four years. Main projects include bringing engine emission lev-els up to international standards, improvements in finishings and materials to reflect the shift to lighter vehicles, and an increasing effort on exports that required higher

quality standards.

He said the group expected production to increase at its three plants to a total of 80,000 units this year and declared that "the current year looks extremely appearing and

extremely encouraging and promising."

Mr Tata said that Daimler Benz of West Germany was still reviewing its plans to build a "world class" truck for which Telco might be a production platform. tion platform.

But he said that Daimler,

which holds a 10.5 per cent stake in Telco, plans to increase its purchases of components - engines, clutches, gearboxes and rear axles -from the Indian company.

# BHP reports strong year's production

By Bruce Jacques in Sydney

PURISANT to Article Twelve of the Indenture, prior to the close of business (Luxembourg time) on July 23, 1990. Debenture holders may convert any or all of their Debentures into the Company's Common Stock at the rate of 96.8992 shares of Common Stock per \$5,000 principal amount of Debentures surrendered plus cash in lieu of fractional shares. The method of delivery is at the option and risk of the holder, but the method used must perink delivery to a Conversion Agent on or before the close of business (Luxembourg time) on July 25, 1990. If Debenture business (Los of the holders do not convert their Debentures arior to such time on July 25 and their faith convert holders do not convert their Debentures prior to such time on July 25, 1990 their right to convert will terminate. Debentures held by them will be redeemed as provided above.

So long as the marines price of the Common Stock is greater than \$55.00 per share, a holder of. Debentures who converts will receive Common Stock of the Company with a market value, plus cash in lieu of any fractional share, greater than the amount of cash the holder would otherwise be emitted to receive upon redemption. Holders of Debentures are urged to obtain current market quotations for the Company's Common Stock.

To convert Debentures into Common Stock, holders must present their Debentures together with all manuscured coupons, a duly signed and completed written notice in the form set forth in Section 203 of the Indenture and transfer has stamps or funds therefor if required by Section 1208 of the Indenture and all such items must be received by a Conversion Agent), and must otherwise comply with Section 1202 of the Indenture, prior to the close of business (Luxembourg time) on July 25, 1990 at one of the following locations: BROKEN HILL Proprietary, near record \$1.4m tonnes, the year marked the first shipthe oil, steel and minerals conglomerate which is Australia's piggest company, has just completed one of its strongest pro-

duction years on record. The company's production report for the year to May, released yesterday, lent weight to analysts' predictions of a record annual net profit exceeding A\$1bn (US\$783m), due to be announced on July 2. BHP's iron ore production jumped from 27,3m tonnes to a

while gold output topped 300,000 ounces for the first time, up from 262,270 oz to 300,677 oz. Manganese output rose from 1.96m tonnes to a record 2.29m tonnes.

In the steel division, while raw output barely edged up from 6.21m to 6.23m tonnes, export sales rose almost 60 per cent to 1.22m tonnes. Domestic sales eased from 4.63m to 4.35m

In the petroleum division,

ments of liquefied natural gas from the North West Shelf project, but total crude oil output was only maintained because of increased output from the Timor Sea region.

Production from the declin-

ing oil fields in Bass Strait, which supply more than 80 per cent of Australia's crude oil, fell from 60.67m to 57.94m barrels, but output from the Timor Sea rose from 7.45m to 11.43m

# • Frankfurter Allgemeine Zeitung GmbH INFORMATIONS DIENSTE

Change is coming swiftly in Germany..... Barriers are breaking down. History is being made. And business opportunities created.

# brief

German Brief, a monthly English language newsletter with a four-page weekly news update, is published by Frankfurter Allgemeine Zeitung Informationsdienste, a division of West Germany's most respected business newspaper, and presented by Financial Times Newsletters in the UK. As well as reviewing and commenting on major political and economic events, German Brief keeps its readers informed on likely developments within key sectors of German industry and is a vital addition to the international business person's reading.

German Brief also provides subscribers with:

 Facts and figures on economic developments such as exports and imports. balance of trade, consumer trends and inflation rates.

 An exclusive rating system of 9 key German industrial sectors showing current levels of activity and forecasts for the coming months.

Analyses of the rapidly changing situation in East Germany and its impact on the economy and politics of West Germany.

Profiles of leading West German companies and smaller but

significant exporters. · Information on major trade fairs, conferences and other events well in

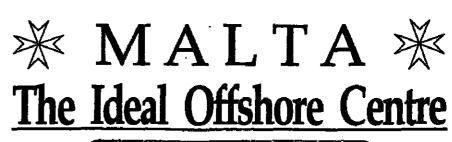
A copy of the German Handbook, a compact business guide which is

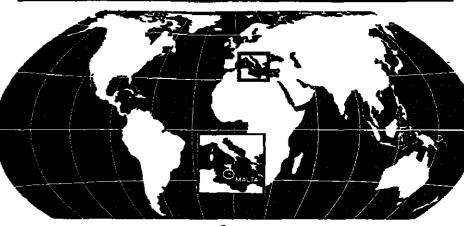
Special Öffer

would like to subscribe to GERMAN REFEE for one year at £330 inc. postage Poskion . Address Postcode -Pax \_Telex Please charge my credit card (tick choice) American Express ☐ Vite ☐ Diners

☐ I enclose a cheque for £330 made payable to F.T. Business Information (GB) Please bill me/my company Return this form to Judith Harris, PO Box 312, Tower House, Southstrapton Street, London, WCZE 7QE

Telephone: 071-240 9391 Telex: 296926 BUSINF G Fax: 071-240 7946





## where

INTERNATIONAL BANKS... INSURANCE AND REINSURANCE COMPANIES... TRADING COMPANIES... PERSONAL INVESTMENT AND HOLDING COMPANIES... SHIPPING COMPANIES... TRUSTS...

# can benefit from

 A perfect location, Measurably lower operating costs,

 Low or nil taxes. Availability of qualified professionals, and a highly educated, English speaking workforce.

and more...

## In Malta you will be in the best of company... in a perfect climate

For more information please contact:

MURY

MALTA INTERNATIONAL BUSINESS AUTHORITY

Palazzo Spinola, P.O. Box St. Julians 29, Malta. Tel: (+356) 319055 Fax: (+356) 336851 Telex: 1692 MIBA MW

This advertisement complies with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The London Stock Exchange"). It does not constitute an offer or invitation to any person to subscribe for or purchase any securities of Siemens AG.

# Siemens Aktiengesellschaft

Introduction to

The London Stock Exchange

sponsored by

S.G.Warburg Securities

co-sponsored by

J. Henry Schroder Wagg & Co. Limited

Class of Shares

Ordinary Shares of DM50 each Preferred Shares of DM50 each

2,550,205,600 46,181,700 2,596,387,300

"As at 30th May, 1990

Siemens develops, manufactures and distributes electrical engineering and electronics products throughout the world. Its areas of business include: industrial and building systems, drives and standard products, automation, automotive systems, data and information systems, power generation, power transmission and distribution, semiconductors, medical engineering, public ommunication networks, passive components and electron tubes, private communication systems, defence electronics, transportation systems, audio and visual systems, electromechanical components and other related activities.

Shares of DM50 each of Siemens AG. The price for Ordinary Shares of Siemens AG on The London Stock Exchange, as shown in The London Stock Exchange Daily Official List, will be quoted per DM50 of nominal value and will be expressed in Pounds Sterling. Dealings in the Ordinary Shares of Siemens AG will commence at 8.30 am on 21st June, 1990.

The Council of The London Stock Exchange has admitted to the Official List 50,444,112 Ordinary

Listing Particulars relating to Siemens AG are available in the Extel Statistical Service. Copies of the Listing Particulars may be obtained during normal business hours up to and including 25th June, 1990 from the Company Announcements Office of The London Stock Exchange and up to and including 4th July, 1990 (weekends excepted) from:-

S.G. Warburg Securities 1 Finsbury Avenue, London EC2M 2PA

J. Henry Schroder Wagg & Co. Limited 120 Cheapside, London EC2V 6DS

# 

Fleet Financial Group U.S. \$100,000,000 Floating Rate \$ Capital Notes Due 1998 r the three months 21st June 1980 to 21st September 1960 the Notes will carry en interest rate of 6.4125% per abnorm and coupl amount of U.S. \$21.50 per U.S. \$1,000 note. Listed on the Lunarribourg Stock Exchange Agent: Morgan Guitstanty Trust Come

U.S. \$250,000,000 FLOATING RATE SUBORDINATED CAPITAL NOTES DUE SEPTEMBER

Notice is hereby given that the Rate of Interest has been fixed at 8.375% and that the interest payable on the relevant Interest Payment Date, September 21, 1990, against Coupon No. 24 in respect of US\$50,000 naminal of the Notes will be US\$1,070.14 and in respect of US\$10,000 nominal of the Notes will be US\$214.03. June 21, 1990, London

**CITIBANK** By: Citibank, N.A. (CSSI Dept.), Agent Bank

FINANCIAL & PROFESSIONAL SERVICES IN BIRMINGHAM AND THE MIDLANDS

The Pinancial Times proposes to publish this survey on

13th July 1990 z detaila, plotae coni on 821–454 0922

George House George Road Edgbaston inghan BI5 IPC **FINANCIALTIMES** 

# fondo de inversiones de venezuela

# **VENEZUELA'S** PRIVATIZATION PROCESS

The Venezuelan Investment Fund (VIF) invites management consulting firms and investment banks to submit their qualifications as potential advisors to Venezuela's privatization program . In the near future, (VIF) will request specific proposals for assistance in privatizing companies and activities in the following sectors:

- TELECOMMUNICATIONS
- AIRLINES
- SHIPBUILDING AND OCEAN FREIGHT
- HOTELS AND TOURISM INFRASTRUCTURE
- AGROINDUSTRY (SUGAR MILLS AND SILOS)
- STEEL RELATED INDUSTRIES
- HORSE AND DOG RACE TRACKS

Documentation should include:

- DESCRIPTION OF THE FIRM, IT'S SUBSIDIARIES AND/ OR RELATED COMPANIES
- PREVIOUS PRIVATIZATION EXPERIENCE AND RE-**FERENCES**
- RESUMES OF KEY PERSONNEL

Documents should be delivered before July 15, 1990 to: Gerencia General del Fondo de Inversiones de Venezuela (FIV), Torre Financiera del Banco Central de Venezuela 20th floor Av. Urdaneta Caracas, Venezuela. Fax: 83.46.89 - Telex: 26.529 - 26.564

U.S. \$750,000,000

Midland Bank pic

Notice is hereby given that for the six months interest Period from June 21, 1990 to December 21, 1990 (183 days) the Note Rate has been determined at 874% per annum. The interest payment date, December 21, 1990 will be U.S. \$441.61 per U.S. \$10,000 nominal amount.

By: The Chans Manhattan Bunk, N.A. Louden, Agest Bunk June 21, 1990

Sparbankernas Bank (Swedbank)

Telephones: (58-2) 83.82.16 - 81.00.80

Japanese Yen 10,000,000,000 Floating Rate Notes due 1993

For the period 21st June 1990 to 21st December 1990 the rate has been fixed at 7.62 per cent. per annum and interes payable 21st December 1990 for Coupon No. 5 will be Yen 3,820,438

U.S. \$150,000,000

Republic New York

Corporation Floating Rate Subordinated Capital Notes due 2009 Capital Notes due 2009
Notice is hereby given that in respect of the Interest Period from June 21, 1990 to September 21, 1990 the Notes will carry an Interest Rate of 81/4/4 per annum. The coupon amount payable on September 21, 1990 will be U.S. \$215.63 per U.S. \$10,000 Notes. By: The Chase Manhattan Bank, M.A. London, Agent Bank June 21, 1990

# INTERNATIONAL COMPANIES AND FINANCE

# A combination of revolution and tradition

David Goodhart examines the successful double act by Siemens of West Germany

Siemens, West Germany's oldest multinational corporation and one of the world's top five electronics and electrical groups, has over the past few years developed an impressive – and typically German - double act.

The company, whose shares begin trading today on the London Stock Exchange, has persuaded the outside world that it has been convulsed by revolutionary changes – a management reorganisation a wave of takeovers and an increased pace of international-

Yet on the other hand it never misses an opportunity to stress the solid continuity of its 143-year history.

Tradition is not merely an ornament, it is, for good and ill, deeply ingrained in this enormous capital goods company – sales DM61bn (\$36.5bn), employees 350,000 and has had to be carefully manipulated to ensure that the company remains at the top in at least four (telecommunica at least four (telecommunica-tions, power engineering, medi-cal engineering and factory automation) of the dozen industries in which it is present worldwide.

Tradition is not always an obstacle. The company is poised to benefit from the opening up of eastern Europe not just because of its leading position in the priority electri-cal and infrastructural sectors, but also because business links in eastern Europe and the Soviet Union go back 140 years. But tradition is not always a blessing. Most analysts believe the company has been too slow

in closing, divesting or shrinking loss-making husinesses. KWU - the power stationbuilding subsidiary - recently announced that sales fell by nearly a third last year, but the number of employees was cut by only 350 to just under 25,000.

Mr Karlheinz Kaske, the studiously uncharismatic chief executive, personifies the conservative revolution. Following in his father's footsteps he joined the company at 21, after graduating as a physicist, and apart from a brief spell in the coal industry, remained a Siemens worker through to land-ing the top job in 1981. Under his gruff exterior,

Kaske is not in the best of health. When asked if he might consider retiring early he snaps "I am 62," implying he will continue for another three

years. He has given himself a better chance by abandoning If he was forced to retire early the company would certainly miss his skills as a mediator between fellow board members. His dry sense of humour and ability to remain mild-mannered while always munications.

giving Siemens the unenviable title of largest PABX (office

tronics. But it also reflects continuing costs arising from the 1987 purchase of Tel-Plus Com-The subsequent acquisition of Rolm Systems from IBM,

tricky task of demoting or retiring early several of his most senior colleagues But if he was to retire early probably to be replaced by Mr Karl-Hermann Baumann the finance chief - his exit would make little difference to the company's strategy which has been masterminded by Mr Hermann Franz, board strate-

seeming on the point of explo-

sion has held the leadership

lent times. The board has just been cut by a third as a result

of the management reorganisa-

tion and Mr Kaske has had the

ogether through some turbu-

his chain-smoking.

Mr George Verghese, of the Deutsche Bank, describes that strategy as akin to the classic business school "portfolio theory" in which the "cash cows" in Siemens' case, telecoms medical engineering and factory automation - are used to finance the expensive new "stars" - such as auto elec-tronics - which, if all goes well later settle down and

become cash cows themselves. Semiconductors do not fit neatly into this picture. Siemens has pumped more than DM3bn (with some government aid) into chip research in the last four years alone and has just produced a model 16-megabit chip. But despite the recent decision to double 1-megabit production this year, it will still make large losses thanks

to weakening chip prices.
Siemens insists it has had no choice. It uses nearly threequarters of all chip production itself and says if it had not developed its own chips it to Japanese blackmail. The decision to develop a 64-megabit chip with International Business Machines and possi-ble collaboration with SGSnson and Philips in D-Ram

chips should spread some future development costs.

The US has been another cash hole of the 1980s and with a loss of DM572m in 1968-89 profitability seems an ever-receding goal. That loss was partly the result of goodwill write-downs associated with the acquisition of Bendix Elec-

systems division (office equipment) have been built up from virtually nothing with the latter recording pre-tax profits of DM500m last year on sales of more than DM10bn.

The acquisition of Nixdorf. with complementing strengths in marketing and mediumsized businesses, crowns the decade and leaves Siemens number two in Europe (behind IBM) in computers and office

quipment. Like other companies responding to deregulation and the shift from electro-mechanical to electronic products, Sie-



Karibeinz Kaske: personifies the conservative revolution

exchange) producer in the world, has created new integra-tion costs with Tel-Plus as PABX demand is weakening and to make matters worse, the Siemens Hicom PABX is also competing with Rolm on the US market. On the brighter side. Sie-

mens has won a toe-hold in the US switching market, although the aim of increasing market share from 3 to 10 per cent looks ambitious, and it has built successful medical engineering and factory automa-

tion businesses in the US. The 1980s have seen a doubling of sales from DM30bn to DM60bn, DM46bn spent on research and development (equivalent to 10 per cent of sales over the decade), and DM43bn on capital expendiand the data and information

mens had to shake up its organisation and attitudes in the last part of the decade. In October 1988 the central divisions were reorganised. Then in October last year the

seven giant operating groups

with sales ranging from DM5bn to DM13bn — were divided into 15 smaller groups which with the streamlining of the board, should bring decision makers closer to markets. It should also mean greater financial transparency, including a divisional profits break-

llied to this process came completion of the first hostile bid, the joint takeover, with General Electric Company (GEC) of the UK, of Plessey. Further takeovers, possibly even in Japan, and joint ventures, such as

that just concluded with Line-type, should this year reduce the cash mountain to line time DM20km in 1988 39 DM70km was spent on R&D (roughly the same for 1989/30). DM60km on fixed assets and DM60km in

acquisitions and folds wan Sales outside West Gers have been about 50 per cent of the total for some years of those foreign sales, short has originate abroad and bell are exports from Germany, we internationalisation record that compares favourably with companies such as Daiming.

But many analysts continue to suspend judgment on the new Siemens. Senedits from the reorganisation should start to show this year. But some complain it has not been aggressive enough in power engineering and that the prosure on its domestic sine

will continue to grow. The Bundespost liberalies tion is sure to cut margins aithough Siemens points and that it receives a smaller share (45 per cent) of the public switching market than most other "national chaother "national champions" in western Europe and that has than a quarter of its 12 per cent worldwide market share in public networks cames free Germany. Siemens is also tak-ing a louding position in the new markets opened up by liberalisation.

In any case, with its spre of products from robotics to rail technology, it will continue to benefit from the investment boom in western Europe, and the construction

boom in Germany.

And despite its typical onstion over eastern Europe and the Societ Union (where it has recently had some orders can-celled because of payments problems) it remains the "minral candidate" in several key sectors. KWU, which has been struggling to reduce its exposure to the nuclear market, could benefit quite quickly from overhauling the east bloc energy system.

Stemens said the Landau
listing was being handled by

S.G. Warburg Securities and J. Henry Schroder Wage & Co. Siemens' shares will then be traded in seven European

# U.S. \$150,000,000 Financière CSFB N.V.

Junior Guaranteed **Undated Floating Rate Notes** Guaranteed on a subordinated basis as to payment of principal and interest by

Financière Crédit Suisse-First Boston



Interest Rate Interest Period

June 21, 1990, London

876% per annum 21st June 1990 21st September 1990

Interest Amount due 21st September 1990 per U.S. \$ 5,000 Note

U.S. \$ 107.81 per U.S. \$100,000 Note U.S. \$2,156.25

Credit Suisse First Boston Limited Agent Bank

BAWAG

**BANK FÜR ARBEIT UND** 

**WIRTSCHAFT A.G.** 

U.S.\$75,000,000 Subordinated Floating Rate Notes due 1999

in accordance with the terms and conditions of the above-mentioned Notes notice is hereby given that the Rate of Interest has been fixed at 8.5625% per annum and that the interest payable on the relevant Interest Payment Date, December 21, 1990 against Coupon No. 12 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$435.26.

By: Citibank, N.A. (CSS) Dept.), Agent Bank CITIBANCO

**U.S.** \$200,000,000

J.P. Morgan & Co. Incorporated

Floating Rate Subordinated Capital Notes

Due December 1997

Notice is hereby given that the Flate of interest has been fixed at 8.3625% p.a. and that the interest payable on the relevant Interest Payment Date, September 21, 1990 against Coupon No. 18 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$213.71 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$5,342,71.

RIGGS NATIONAL CORPORATION US \$60,000.000

FLOATING RATE SUBORDINATED NOTES DUE 1996

In accordance with the provisions of the Notes, notice is hereby given that

for the period 20 June 1990 to 20 September 1990 the Notes will carry a

rate of interest of 89/16% per annum with a coupon amount of US\$218.82.

CHEMICALBANK as Agent Bank

**CITIBANCO** 

June 21, 1990, London By Citibank, N.A. (CSSI Dept.), Agent Bank

# Standard Chartered

# Standard Chartered PLC

(Incorporated with limited liability in England)

£300,000,000 Undated Primary Capital Floating Flate Notes of which £150,000,000 comprises the Initial Tranche.

in accordance with the Terms and Conditions of the Notes, notice is hereby given that for the three months period (92 days) from 20th June, to 20th September, 1990, the Notes will carry an interest Rate of 151/is per cent, per annum. The interest payment date will be 20th September, 1990, Coupon No. 21 will therefore be payable on 20th September, 1990 at \$1,914.04 per coupon from

Notes of £50,000 nominal and £191.40 per coupon from Notes of £5,000 nominal,



J. Henry Schroder Wagq & Co. Limited Agent Bank

# **ANZ**Bank

Australia and New Zealand **Banking Group Limited** (Incorporated with limited liability in the State of Victoria)

U.S. \$200,000,000

Subordinated Floating Rate Notes due 1999

Notice is hereby given that for the Interest Period 20th June, 1990 to 20th December, 1990 the Notes will carry a Rate of Interest of 8% per cent. per arrum with an Amount of Interest of U.S. \$4,511.46 per U.S. \$100,000 Note. The relevant Interest Payment Date will be 20th December, 1990.

Bankers Trust Bankers 111184 Company, London

Agent Bank

## THOMSON

Thomson-Brandt International B.V. U.S. \$200,000,000 7%% Convertible Notes due 1991 Convertible into
U.S. \$200,000,000 Floating Rate Notes due 1991
All unconditionally guaranteed by

Thomson S.A. For the three months 20th June, 1990 to 20th September, 1990 the Notes will carry an interest rate of 8%% per annum with an interest amount of U.S. \$214.03 per U.S. \$10,000 Note payable on 20th

September, 1990.

Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

Agent Bank

## RIGGS NATIONAL CORPORATION US \$100,000,000 FLOATING RATE SUBORDINATED NOTES DUE 1996

In accordance with the provisions of the Notes, notice is hereby given that for the period 20 June 1990 to 20 September 1990 the Notes will carry a rate of interest of 8 1/2% per annum with a coupon amount of US\$217.22.

CHEMICAL BANK as Agent Bank

# US retail venture costs Campeau \$1.74bn

By Bernard Simon in Toronto bined cost of \$10bn. The com-

CAMPEAU Corporation, the Toronto real estate group, has detailed the staggering cost of its disastrous foray into US retailing by reporting one of the biggest annual losses in Canadian corporate history.

Campeau said yesterday it lost US\$1.74bm, equal to \$39.59 a share, in the year ended January 31, a figure surpassed only in 1986 by Dome Petro-leum, the debt-choked Calgary energy producer which was group Amoco. Campeau's fiscal 1989 loss was a relatively modest \$34m, or \$1.04 a share. Revenues rose to \$10.4bn from

Almost the entire loss stemmed from Campeau's highly leveraged takeovers in December 1986 and April 1988 of the two US retail chains, Allied Stores and Federated

Department Stores, at a com-

pany's real estate operations made a pre-tax profit of \$23m last year, compared with \$124m a year earlier.

The US retailing subsidiaries filed for protection from creditors under Chapter 11 of the

US bankruptcy code last January. Campeau is struggling to stave off bankruptcy by selling some of its prime property assets and by seeking concessions from creditors, which estate developer Olympia & York and Ohio shopping mail magnate Mr Edward J. DeBar-

A Campeau representative said yesterday that interest in the properties on the block "seems to be very good," but that no sales were likely to be concluded for another few

The US acquisitions, which

company's French-Canadian founder, Mr Robert Campeau. He is trying to buy back a block of his shares seized this year by National Bank of Can-Last year's loss included various charges totalling \$1.50n, of

have become the epitome of Wall Street's worst excesses in

the late 1980s, have strained

the personal finances of the

which \$958m was a writedown of goodwill by Federated. Reor-\$252m, with the rest made up of such items as deferred taxes, depreciation and the reduced carrying value of discontinued assets. Financing charges totalled \$1.2bn last year, up from \$877m in fiscal 1989.Asset disposals realised \$208m last

Campeau's liabilities on Jannary 31 included \$7.3bn covered by the Chapter II proceedings in the US, plus \$290n is long-term and \$1.30n in short-term debt. It had a share-holders' deficiency of \$1.70n. Fullowing publication of the

suits, Campeau's share price

slipped by nine cents to CALSE on the Toronto stock exchange. year ago, the shares were ading at C\$22.35. Earlier this week, Allied and Federated indicated that the Chapter 11 filings have so fir had a relatively modest impact their trading oper Both companies reported lower first-quarter losses, net of

said that most vendors were shipping on normal terms and that inventories were virtually back to normal levels.

restructuring expenses. They

Campeau's US subsidiaries also include the California supermarket chain Raints Grocery Co, the only signifi-cant unit not in Chapter 12.

# US bank to shed 320 jobs

HARRIS Bankcorp, the US subsidiary of Bank of Mon-treal, is to take a US\$16m pretax charge in the second quar-ter and shed 320 jobs, Reuter

reports from Chicago.
Harris also said that 200
unfilled positions would
remain so as a result of a workforce reduction scheme

announced in February. Employees whose jobs would be eliminated would be informed on June 26 in per-sonal conversations with

senior managers, Harris said. The bank added that employ-ees would receive individual statements of severance and benefits. The severance package offers a base of 12 weeks' salary plus additional weeks of pay based on age, length of ser-vice and salary level

Harris said the aim of the programme was to reduce payroll expenses. Decisions on which positions would be eliminated were made after a fourmonth analysis.

# General Instrument up

GENERAL Instrument, the New York-based diversified manufacturer of electronic components and systems, reported improved first-quarter net profits of \$23.1m or 84 cents a share, Renter reports.

The previous year's results of \$32.4m or 96 cents a share included an extraordinary gain of \$10.1m or 30 cents. Revenues increased to \$379.5m from \$345.6m. Mr Frank Hickey, chairman and chief executive, said: "Our results for the first quarter were shead of plan. Revenue and earnings for both the Broadband and Components segments were up over the prior year, although results in the Data Systems segment were down.

However, he warned that uncertainty in the cable television industry was affecting the company's customers' capital spending, and that this "could have a temporary short-term effect on our busine



# US\$100,000,000

Floating Rate Notes Due 1997 able at the option of Noteholders in 1989 and 1993)

In accordance with the provisions of the Floating Rate Notes, notice is hereby given as follows:

interest Period: June 20, 1990 to December 20, 1990 (183 days)

Rate of Interest: 8-11/16% per annum

Coupon Amount: US\$ 2,208.07 (per note of US\$50,000) US\$ 22,080.73 (per note of US\$500,000)

Agent



LTCB Asia Limited



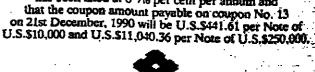
S.F.E. INTERNATIONAL N.V. U.S. \$75,000,000

Guaranteed Floating Rate Notes Due 1991 Guaranteed by

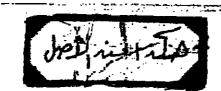
the six months 21st June, 1990 to 21st December, 1990

has been fixed at 811/16 per cent per annum and

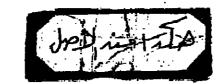
Société Financière Européenne -S.F.E. Luxembourg In accordance with the provisions of the Notes. notice is hereby given that the rate of interest for



The Sumitomo Bank, Limited (Interest Determination Agent)



June, 1990



# INTERNATIONAL CAPITAL MARKETS

# Hongkong and Shanghai Bank credit rating cut

By David Lascolles, Banking Editor

THE Hongkong and Shanghai Banking Corporation had its credit rating cut yesterday by IBCA, the London-based rating IBCA, the London-based rating agency, because of the politi-cal uncertainties facing the Hong Kong colony, and the bank's deciming profitability. IBCA cut the Hongkong Bank's individual rating from A/R to R and its large term. A/B to B and its long term rating from AA to AA. But it left its short-term rating unchanged at A1+. reflecting the bank's conservative bal-ance sheet and high liquidity

levels.

IBCA said it had decided to make the cut "because of Hongkong Bank's general financial performance, combined with the inevitable uncertainty that must be associated with the takeover by the Paralle's Remublic of China the People's Republic of China in 1997."

Although the Hongkong Bank had diversified strongly Bunk had diversified strongly overseas in recent years, it is still heavily dependent on its domestic base for the bulk of its earnings. Its overseas units have also performed poorly recently, including Marine Midland Bank, its US subsidiary, and James Capel, its Loudon stockbroking unit. The group's net income declined as a proportion of average assets

group's net income declined as a proportion of average assets from 0.72 per cent in 1985 to 0.57 per cent last year.

IBCA also cast doubt on the Hongkong Bank's proposed merger with Midland Bank, the UK clearer in which it holds a 14.9 per cent stake. Although such a deal would enhance the bank's credit quality, IBCA says that because of Midland's short-term problems and the enormous practical difficulties enormous practical difficulties in achieving a merger, "it is by no means certain it will go ahead."

A representative of the Hougkong Bank said in Lon-don yesterday that the bank was disappointed by the downgrading, though it believed it was still in good company at its new levels. However, it was pleased that the short-term rating had been left

Hongkong Bank does not have a credit rating from any of the large US agencies.

## Government of Victoria debt downgraded ......

By Bruce Jacques in Sydney

THE battered financial standing of the Government of Victoria, Australia's second most populous state after New South Wales, received another blow yesterday when two rating agencies downgraded its debt.

Investors Service and the Mel-bourne-based Australian Ratings lowered the state's rating from AAA to AA plus, citing high debt levels and recently-confirmed losses of more than A\$1bn by the State Bank of

The downgradings come just before the Australian Premiers' Conference where Mr Paul Keating, the Federal Treasurer, has foreshadowed ore financial pressure on all

Six states.
Yesterday's analysis by Australian Ratings alluded to this, asserting that a harsher economic environment and possible Federal Government grant cuts pointed to difficult budgeting for Victoria in the medium term.
The analysis said that Victoria had the highest level of net debt of any Australian state

debt of any Australian state except Tasmania, and that this reflected a persistent borrow-ing pattern in both the direct government sector and in the Government's trading enter-

"Despite a reduction in the deficit in 1989/90, Victoria placed significant reliance on borrowing, with 7.1 per cent of general government expenditare over the past four years deficit financed," Australian

Ratings said. Moody's also based its downgrading decision on Victoria's high debt levels, but both agencies stressed they were not suggesting any risk of default.

# Japan to relax bond issue rules

Strick Kinds & Restriction

The state of the s

The second second

THE Japanese Ministry of Finance will relax its guide-lines on securities house issues of domestic convertible bonds, probably next month. Reuter reports. Under the new guidelines, an issuing com-pany may set terms as long as a week after its board decides to make an issue.

ITALY 5 3/4 92 KANSAI ELEC PWR 4 5/8 94 HORWAY 5 1/8 95 SWEDEN 5 5/8 95 WORLD BANK 6 3/4 90

Terms have customarily been decided at the time companies agree to make a convertible issue, currently about 20 days before its actual launch in future, underwriters will revise issue terms

# Treasuries suffer modest losses in early trading

By Janet Bush in New York and Deborah Hargreaves in London

US Treasury bonds started out US Treasury bonds started out with modest gains which reflected sliding oil prices and optimism about a new plan to cut the US budget deficit, but then slipped back to score small losses at midsession.

The Treasury's benchmark long bond was quoted if point lower to yield 8.49 per cent, while short dated maturities stood about 1 point lower at stood about i point lower at

Softer prices of commodities, including crude oil and pre-cious metals, helped the bond market on hopes that this would ease inflationary pressures and allow the US Federal Reserve more score to ease sures and allow the US Federal
Reserve more scope to ease
monetary policy. However,
these considerations did not
significantly boost bond prices
which have been stuck in a
narrow trading range for days.
The other focus of the manket yesterday was the publication of the latest Tan Book of
regional economic reports compiled by the Fed, which is used

## GOVERNMENT BONDS

as a guide to setting monetary policy within the Federal Open Market Committee which next meets on July 2 and July 3.
The Fed said the economy continued to grow alowly and that there was little change in the underlying inflation rate: This does not appear to offer the central bank any justification to move interest rates-either higher or lower.

THE UK gilts market experi-enced one of its more crazy moments yesterday when prices surged on more rumours about UK membership of the

# **BENCHMARK GOVERNMENT BONDS** 94-09 +09/32 12.45 12.43 12.40 93-13 +21/32 11.71 11.77 11.93 86-10 +42/32 10.71 10.69 10.96 102-17 +2/32 8.49 8.42 8.74 103-03 +7/32 8.46 8.40 8.70

9.750 05/00 93.2500 +0.500 10.88 10.65 10.87 NETHERLANDS 9.000 05/00 100.3100 +0.280 8.95 9.00 8.98 AUSTRALIA 12.000 7/99 92.0159 + 0.170 13.58 13.57 13.57

FRANCE BTAN 9.000 02/96 95.8157 +0.071 10.11 10.11 9.98 OAT 8.606 08/00 92.3100 +0.310 8.74 9.73 9.83

No 119 4.800 8/89 87.5177 -0.118 7.11 7.05 7.15 No 2 5.700 3/67 92.1061 -0.145 8.70 8.82 6.90

7.750 02/00 \$3.0500 +0.150 8.83 8.87 8.78

exchange rate mechanism of day's close of 101% and offered the European Monetary Sys- a yield of 11.24 per cent.

The market grasped hold of the fact that Mr John Major, the UK Chancellor, was speak-ing to a group called the Ger-man Industry Forum last night about European monetary

However tentative the connection, the market is keen to look for any hint that the UK may join the ERM and this pushed prices for gilt-edged securities up by more than a

Mr Avinash Persand, economist at URS Phillips & Drew, the UK arm of the Swiss bank, estimates that gilts prices have estimates that gilts prices have already risen by 70 to 80 basis points on the back of ERM rumours. A move to join the ERM is prohably worth an increase in price of 100-120 basis points, he reckons.

A benchmark 11% per cent Government bond, maturing in 2003/97 was boosted to 103½ yesterday from the previous

■ WEST German bond prices were given a fillip by the move-ments in gilts market yester-day, but trading was quiet and volumes remained low. Market sentiment was more positive than it has been recently as than it has been recently as the Finance Ministry con-firmed that there would be no new federal bond issue until July. In addition, German

July. In addition, German unity bonds are not expected to appear until September.

This means the market can experience a calm period before new issues arrive to depress demand. The London International Financial Futures Exchange (Liffe) has said that unity bonds would not be deliverable into its bund futures contracts — which has futures contracts - which has also helped market demand.

Liffe's September bund fourse contract was trading 38 pfennigs higher yesterday at 82.40 and the cash market was offering a yield of 8.82 per cent.

# Continental plans Taiwan fund

CONTINENTAL Bank, the big US bank, plans a \$75m to \$100m client fund for investment in Taiwan, AP-DJ

reports.
The fund, which will be managed by Hotung Venture Capital and First Taiwan Venture Capital, will invest up to 40 per cent of its portfolio in high technology sectors. The fund is expected to begin operation before next spring.

venture capital investment companies in Taiwan. Its lead-ing shareholders include Daiwa Securities — the Japa-ness securities house — local industrial groups and the gov-ernment-run Bank of Commu-

Hotung is one of the oldest iary of Singer Sewing Machine.

• Fidelity International is to launch a \$50m Turkish equity fund next month.

Daiwa Securities — the Japanese securities house — local industrial groups and the government run Bank of Communications.

First Taiwan is a recently established Taiwanese investment bank. It recently paid \$80m for the Taiwanese subsid-

FT/AIRD INTERNATIONAL BOND SERVICE

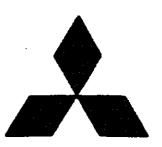
Using are the latest international b	conds for which there is a	n actorista e	econdary market	Castlet prices at 0:15 pm on June 20
N.S. DOLLAR STRANSINTS ABBEY RATIONAL 8 7/8 93 ALBERTA PROVINCE 9 3/6 45 AMERICAN CENERAL 9 3/4 95 AUSTRALIA 11 1/4 00	Thread   Bid   Offer   150   985   984   985   984   100   1005	47 Year 946 1 920	OTHER STRAIGHTS COUNCE EPROPET 94 LFT KREDETORD 7 93 LFT WORLD BANK 8 94 LFT AMED BANK 8 14 92 FT BENNAME 8 1/2 93 FT	New   Sel   Sel   Cap   Told   600   62   93   +1
BANK OF TOKYO 8 3/896 BELGUM 9 1/892 8PIE 7 3/4 97	308 98 98 k	9.27 9.49 9.02 9.25	BERTEACH 7 3/8 94 F1	150 94 945 744 100 99 995 945 9.67 150 95 965 965 9.00 150 96 946 946 9.63 150 975 98 -4 10.23
BP CAPITAL 9 5/8 93  CAMADA 9 96  COCC 9 1/4 95  COUNCIL EIROPE 8 96  DENMARK 0 98  DENMARK 8 1/4 94	400 1084, 1004, 150 925, 93 984, 150 1004, 1004, 1004, 1004, 1004, 100 944, 945, 150 984, 977, 150 984, 977,	1,22 1,23 1,13 1,13 1,13 1,13 1,13 1,13	PARDIGARIK 5 3/4 93 FT WORLD BANK 6 1/4 91 FT AM BETTA PROVINCE 10 92 CS BCE (NC 9 5/8 95 CS SELL CARRADA 10 5/8 99 CS SELL CARRADA 10 5/8 99 CS SER 10 1/8 98 CS FORD CREDIT CARRADA 10 94 CS SER 10 1/8 98 CS FORD CREDIT CARRADA 10 94 CS SER 10 1/8 98 CS SER 10 1/8 98 CS FORD CREDIT CARRADA 10 94 CS SER 10 1/8 98 CS SER 10 1/8 9	100 99 99% 945 950 150 954 944 9.00 150 94 944 9.38 150 91 92 4 92 1025 500 944 925 1122 120 92 92 121 1212 120 92 92 92 121 121 121 120 93 93 93 93 93 93 122 121 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 120 12 12 12 12 12 12 12 12 12 12 12 12 12
EISC 8 1/4 95	300 98 94, 150 100 100 100 100 100 100 100 100 100	12 10 10 10 10 10 10 10 10 10 10 10 10 10	CRIPAN LE ET CAP 10 14 45 CS HOMERA L'RESTICO 8 12 42 CS HOMERA L'RESTICO 8 12 49 CS HOMERA L'RESTICO 10 7 R 49 CS HOMERA L'RESTICO 10 7 R 49 CS HOMERA L'RESTICO 10 7 R 49 CS SECTION 13 14 49 CS SECTION 13 14 49 CS	
EUROFTIA 9 1/4 % EXPORT DEV CORP 9 1/2 98 PINLAND 7 7/8 97 GAZ DE FRANCE 12 1/4 9 GEN ELEC CAPITAL 9 36 94	200 921 934	9.27 9.36 9.17 9.24 +5. 10.53	ARSTRIA 7 38 95 Em CRIT 7 38 95 Em CRIT 7 38 95 Em CRIT 7 38 95 Em EDENIARO 7 58 95 Em EDENIARO 7 58 95 Em EDE 10 97 Em TRAY 10 34 400 Em SWEDER 7 1/2 95 Em EDENIARO 7 1/2 95 Em EDENIARO 7 EM EDER 7 1/2 95 Em EDENIARO 7 10 20 EM EDENIARO 7 10 EM EDENIAR	125 93, 94, -1, 10.10 250 92, 91, +1, 10.25 125 94, 95, 10.25 126 87, 88, -1, 10.25 200 97, 98, 11.30 500 98, 98, 11.30
GEN ELEC CAPITAL 93/896 GMAC 9 1/8 96 HALIFAX 9 1/2 93 IBM WORLD TRADE 7 5/8 98 IBM BK JAPAN FIN 77/8 97 INTER AMER DEV 7 5/8 96	209 984 994 200 1001 1001	9.18 9.40 9.49 9.33 9.45 9.31	EIB 10 97 Em ITALY 10 314 00 Em SWEDER 7 1/2 99 Em SAMW FRIANCE 14 1/2 92 AS COUNCIL EUROPE 13 99 AS EKSPORTFINANS 12 3/8 95 AS	500 984 984 10.30 1000 1024 1025 10.34 250 925 925 10.34 100 1004 1004 14.17 50 984 994 13.45 75 924 934 ++ 14.52
TALY 8 1/2 94  JAPAN DEV BK 8 94  KANSAI ELEC PWR 10 96  LTUB 8 9/8 93  REW ZEALAND 8 93	200 1004, 1011, 10	-1, 9.16 9.13 9.46 9.19	FORD CRED ALST 13 95 AS HD 15 1/2 92 AS HD 15	100 914 914 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
MIPPON CRED BR 9 3/4 93 MIPPON TEL A TEL 9 3/89 5 MIPPON TEL A TEL 9 3/89 6 MIPPON TEL A TEL 9 3/89 6 MIPPON TEL A TEL 9 3/89 6 MIPPON TEL 9 3/89 6	200 1001 1011 150 991 1001 455 901 921 200 1061 1971 208 977 981	747777 956 1054 1054 1054 1054 1054	FORD CREDIT FUNDING 9 5/8 93 £ INTER AMER DEV 11 3/8 95 £	250 914 914 13.35 300 884 884 ++ 12.75 50 904 91 ++ 13.89 75 904 954 12.75 400 864 864 ++ 12.25
PRIDENTIAL BLTY SECSO 99	200 974 W	9.52 9.53 -1 9.46 41 9.45 41 9.45	IAND SSCS 9 1/2 07 6 LPDS PERRONNENT 9 1/4 93 6 ROLLS - 60712 9 5/8 93 6 SANSBURY ID 7/8 93 6 WORLD BANK II 1/4 93 6 BANC A/S BK 33 1/4 92 825	250 913 914 13.5 250 884 885 + 12.75 50 905 91 + 13.95 75 954 955 + 12.75 75 954 955 + 12.75 75 954 955 + 13.29 200 934 935 + 12.75 200 934 935 + 13.22 100 935 945 12.70 50 101 102 12.66 60 93 935 + 14 12.29 600 93 935 + 14 10.25
SUMITONO 1517 344 91 SWEDEN B L894 SWEDEN B L894 TOKYO METROPOLS 8 14 96 WORLD BARK 8 3/8 99 WORLD BARK 8 3/8 97	100 995 1005 100 98 985 150 465 965 100 1015 1015 1500 965 955 1500 965 97	9.43 9.28 44 9.23 44 8.99 9.28 9.16	BARCLAYS BK 13 144 92 RCS	50 101 102 1246 60 1011, 1024, 1242 600 93 934; -1 10.46 1000 97, 97, +4 10.25 500 854 854 -1 10.40
XEROX CORPN 8 3/8 %	100 934 944	+1 9,82	PLOATING RATE MOTES	Invest Bid Offer C.com 150 99.95 100.01 15.3125
ASIAN DEV BABK 8 94 AUSTRIA 6 98 CNT 6 128 98 CREDIT FONCIER 6 344 99 DEUTSCHE BK FIN 5 5/8 96	200 %14 %14 %14 400 824 834 834 500 854 854 854 750 85 85 854 300 914 914 300 814 84 300 824 821 400 824 824 400 824 400 824 400 824 824 400 824	44 9.55 9.19 9.27 44 8.99 9.24	ABSEY NATIONAL 17/6 00 S.  ALBERTA PROVINCE 1/32 93  ALLIANCE & LEVIS 0 89 94 6  BANCO DO MAPOUL HOT 91  BANCO DO MAPOUL HOT 92  BELCUIN 1/16 97 DM	500 99.87 99.97 8.4063 300 99.88 99.93 15,3300 150 99.77 100.07 8.8750 200 96.08 96.30 8.2800
EEC53893	750 65 851, 300 911, 911, 300 851, 852, 300 991, 901, 300 821, 821, 400 821, 821,	4 92 4 93 12 14 93	BETS - 0.02 % BIP 05 E BIP 05 E BIP 05 E BIP 17	350 99.53 99.75 8.4175 300 98.77 98.67 8.3750 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.94 15.3500 150 99.89 99.99 99.94 15.3500 150 99.89 99.99 99.94 15.3500 150 99.89 99.9
EUROFINA 6 1/4 98. FERRO DEL STAT 5 3/8 93. INTER AMER DEV 7 1/4 99. LIJETHARSA INT FIN 5 7/8 98. QUEBEC HYDRO 6 3/4 99.	200 %4, %4, %4, %4, %4, %4, %4, %5, %5, %5, %5, %5, %5, %5, %5, %5, %5	9.35 +3 9.25 -3 9.29 -4 9.30 9.41 9.11	DENMARK - 1,8 %	200 10026 10036 8-6375
SWEDENG 18 99 WORLD BANK 0 15 WORLD BANK 0 15 WORLD BANK 7 18 95 SWESS FRANC STRANGHTS		7.94 919 919	MORSAN UP) 1/4 97 MAT WEST FIN 3/16/05 MEW ZEALAND 93 MORTHEAST SAVINGS 1/10 96 PORTHEAST (0.05 93	100 99.92 100.02 8.5625 20 99.73 99.88 8.5625 500 99.42 99.52 8.2500 150 99.40 99.65 8.3775 700 99.89 99.98 8.4875 200 97.87 98.28 8.5500 500 99.55 99.75 8.5500 500 99.55 99.75 8.5500
ASIAN DEV BANK & AU AUSTRIA 4 5/8 98 CONNICL EUROPE 4 3/4 98	100 86½ 87½ 100 87½ 250 87½ 88 100 97 98 100 97¼ 98½		QUEBEC PROV 01 RENETE 96 SOCIETE GENERALE 96 UNITED KINGDOM - 1/6 96 WELLS FARGO 1/16 94	700 99.88 99.98 8.4675 200 97.67 96.02 8.5000 500 99.65 99.75 8.5000 300 99.26 99.96 8.4250 4000 99.79 99.82 8.2500 130 98.13 98.63 8.3750
DEMANAR 3, 34 ** EEC 5 1/2 00 GB 5 3/4 *9 FIRLABD 5 3/8 *5 JAPAN DEV BK 5 1/2 *4 MOUNT ES FIRANC 5 3/4 *4 MEW ZEALAND 4 7/8 *9*	150 184, 94 100 155, 96 100 895, 90 200 855, 86	+1 650 +1 680 +1 693 +2 7,18	CONVERTINE BONDS ANDYLL GROUP 4 1/2 02 5	Conv. Result price Bid Offer Press. 60 2:75 100-, 1073-, +22.11
POLLY PECK INTL FIN 6 1/4 96 QUEBEC HYDRO 5 06 SKANDINAVERA ENSK 6 1/2 95 WORLD BANK 6 1/4 92 WORLD BANK 7 1/4 92	100 83 94 100 791, 601, 100 974, 99 100 481, 99 100 1004, 1014,	7.06 -1, 7.08 +1, 6.95 -1, 6.97	ASDA-MFT 43/4 02 6	100 1.64 105 1064 +48.45 110 3.15 1074 1084 1084 110 3.15 1074 1084 117.62 156 804 754 754 178.93
YEN STRABONTS AUSTRIA 9 3/4 94 BARCLAYS OS INV 6 96 CANADA 9 3/8 92 CKEDIT FONCIER 5 1/4 94	30000 923 934 40000 944 954 80000 954 955 20000 923 955	7.06 +1 7.07 6.98 -1 7.14	GRACE (WID 6 1 14 02 GRAND MET 6 1 14 02 E HAWLEY 6 02 PREF- HELLSDOWN 4 1/2 02 E HITT. PAPER 5 3/4 02 E LAWD SETS 6 3/4 02 E	150 47, 944, 651 47, 95 150 632 1045, 1055, 44, 67 460 191 1114, 1124, 45, 75 150 646, 984, 994, 415, 79 64 6, 72 624, 634, 410, 6 65 1, 991, 1114, 1134, -1137 36 277, 674, 914, 41, 5
CREDIT FORGERS 149 Y 5 CEMARK 7 95 CEMARK 7 95 CEMARK 7 95 CEMARK 7 95 CEMERAL ELECTRICS 3 44 93	40000 1001, 1001, 40000 1001, 1001, 40000 921, 921, 50000 991, 1001, 35000 981, 981, 150000 981, 981,	71A 4.95 7.01 7.02 7.02 6.96	LARD SECS 6 3/4 02 5 METAL BOX 5 3/4 02 5 METAL BOX 5 3/4 02 2 MITSURSHIP BX 1 3/4 02 GODEN 6 02 PACETC DUNION 5/4 97 TEXAS INSTRUMENTS 2 3/4 02	200 68% 89% 90% 419.29 50 6.72 62% 63% 419.29 65 149 1114 1134 -117 300 27.71 89% 91% 41% 55 37.49 10% 107% 41.91 300 22 7 7 7 74 43.34

STRAKENT ECREUR: The year is the years to reasonable or the wine-price; the amount issued is in militions of currency units except for Yen where it is in billions.

FLOATEG RATE MOTES: Denominated in dollars united effected. Coupon shown is minimum. Culte "Date next coupon be effective. Corred — Margin above stremmth offered rate (tithree-month Sabove mean rate) for US dollars. Copn—The current coupon. CONVENTESLE BONDE: Denominated in dollars united attendated. Chy. arc Change on day. Cre date — First date of converted converted to the converted and the current sale of the converted in currency of share at converted to the charge sale for the current sale of the charge sale is the bond over the most recent price of the shares.

All these securities having been sold, this announcement appears as a matter of record only.

New Issue.



U.S.\$200,000,000

# Mitsubishi Estate Company, Limited

9.25 per cent. Notes Due 1997

Issue Price 101.325 per cent.

The Nikko Securities Co., (Europe) Ltd.

Mitsubishi Finance International plc

Algemene Bank Nederland N.V. Deutsche Bank Capital Markets Limited Mitsubishi Trust International Limited

Nomura International Swiss Bank Corporation J.P. Morgan Securities Ltd.

**BNP Capital Markets Limited** IBJ International Limited **Morgan Stanley International** 

J. Henry Schroder Wagg & Co. Limited Yamaichi International (Europe) Limited

This announcement appears as a matter of record only

New Issue

£106,190,000

Bear Stearns Mortgage Securities No. 1 PLC (Incorporated with limited liability in England and Wales under Registered Number 2334382)

1134% Mortgage Backed Bonds due 2017

**Barclays de Zoete Wedd Limited** 

**Bear, Stearns International Limited** 

**Hambros Bank Limited** 

BNP Capital Markets Limited Credit Lyonnais Euro-Securities Ltd. Daiwa Europe Limited

**UBS Phillips & Drew Securities Limited** 

Yamaichi International (Europe) Limited

Samuel Montagu & Co. Limited

June 1990

Trust Company

JPMorgan

900 821 761 771 163.34 103 7.45 1065 1075 13.57

SRF Mortgage Notes 1 PLC **Banca Nazionale** dell'Agricoltura S.p.A. sted with Kmited liability in \$150,000,000 the Republic of Italy) Class A \$11,500,000 ECU 100.000.000 Class B Floating Rate Depositary Receipts due 1993 Mortgage backed floating rate notes March 2021 Notice is hereby given that the

For the interest period 20 June 1990 to 20 September 1990 the Class A notes will bear interest at at 10-5625% for the interest period 21st June, 1990 to 21st December, 1990. 15.2% per carram. Interest payable on 20 September 1990 will amount to 53,831.23 per \$100,000 note. The Class B notes will have interest as 15.0%. The Interest amount payable on 21st December, 1990 will be BCU 536-93 in respect of

will beer interest at 15.9% per annum. Interest payable on 20 September 1990 will amount to each receipt for ECU 10,000 and ECU 268-46 in respect of \$460,882.19 per \$11,500,000 each receipt for ECU 5,000. Agent: Morgan Guaranty



Rate of Interest has been fixed

ST. CHEMICAL CO., LTD. U.S. \$25,000,000 2¼ per cent. Guaranteed Bonds Due 1992 with Warrants (the "Warrant") to subscribe for shares of common stock of S.T. Chemical Co., Ltd. ant to the relevant provisions of Clauses 3 and 4 of the Instrument

NOTICE TO HOLDERS OF WARRANTS

(the "Instrument") and paragraph 12 of the Paying and Warrant Agency Agreement, both dated 10th June, 1987, relating to the captioned Warrants, notice is hereby given to you that:

(1) The Board of Directors of S.T. Chemical Co., Ltd. (the "Company") at its meeting held on 22nd May, 1990 resolved that the Company shall make a free distribution of shares of its Common Stock on 20th August, 1990. Japan time, to the shareholders of the Company registered on its register of shareholders as of 30th June, 1990, Japan time (the "record date"), at the ratio of 0.1 share for each one share owned by such shareholders.

(2) As a result of such free distribution the subscription price in respect of the captioned Warrants, which is currently 997.30 yen per share, will be reduced to 906.60 yen per share of the Company's Common Stock in accordance with Clause 3, paragraph (i) of the Instrument. The new subscription price will become effective on 1st July, 1990 which is the day immediately after the record date.

The Mitsubishi Bank, Limited as Principal Paying Agent for and on behalf of S.T. Chemical

Dated: 21st June, 1990

# Europe grows cautious of credit card-backed issues

By Tracy Corrigan

THE Eurodollar bond market was granted a temporary respite yesterday, as dealers struggled to clear their books of the latest surge of new issues, in preparation for a second wave of paper today.

In particular, dealers said the flow of dollar bonds backed by credit-card receivables was causing European investors to adopt a more wary stance.

Following a \$1bn global issue of five-year credit card-backed bonds for First Chicago launched on Tuesday, a further \$1.25bn of seven-year bonds. backed by Citicorp credit card receivables, will be priced when New York opens today, at a yield spread of 85 to 88 basis points over the sevenyear Treasury note. First Boston in New York and Credit Suisse First Boston in London are joint lead managers of both offerings. Although the deals are offered simultaneously in the US and international markets, dealers say that demand is considerably stronger in the

Today's Citicorp issue will be the third global credit card-backed deal to be launched issue arranged by Salomon Brothers, last month. It is the first to have a maturity of seven rather than five years.

Also scheduled for today is Denmark's second auction of Eurodollar bonds, arranged by

## INTERNATIONAL BONDS

J.P. Morgan Securities. The \$600m to \$800m will be fully fungible with Denmark's outstanding \$771m of five-year

That issue is trading at a vield spread of 58 basis points above the five-year Treasury. Soundings of the market suggest that there will be a strong bid for the new bonds at 60 basis points above the Treasury, while about \$400m worth of bonds could be bid inside

In the D-Mark sector, the Oil and Natural Gas Commission of India issued DM250m of seven-year bonds via Commerz-bank. Some dealers considered

since Citicorp brought the first the pricing rather aggressive. such deal, a \$1.25bn five-year However, West Germany's double tax agreement with India enables German residents to claim tax relief on the bonds, which boosts the yield for

The lead manager was quoting the bonds at less 2 bid.

within full fees of 2% points. In the Swiss market, Oester reichische Postsparkasse, the Austrian postal savings bank, is offering 20,000 warrants which can be exchanged for bonds. This is the first plain vanilla issue of Swiss franc-denominated warrants exercisable into back bonds.

The bonds, with a 7 per cent compon maturing in 2001, will be issued up to the value of SFr100m, if the warrants are exercised. The warrants can only be exercised until December. The warrants were issued at a price of SFr111, and traded up to SFr115 bid, according to lead manager J.P. Morgan. In the Euroyen sector, Orix

Ireland brought a Y30bn issue of five-year bonds via Daiwa Europe. The issue is targets at Japanese investors and will not be actively traded.

 	Coupon %	 	 
 	KNATIU	 	 

Borrower D-MARKS	Amount sa.	Coupon %	Price	Maturity	Fees	Book renner
oil and Net.Gas Comm.india(a).	250	81 <sub>2</sub>	100%	1997	24/1/2	Commerzbank
SWISS FRANCS Caripio(London Branch)(a)***	75	7 <sup>1</sup> 8	101%	1994	13/13	Banque Paribas (Suisse)
YEN Orix Ireland Finance(b)◆	306n	(b)	101%	1995	13/14	Daiwa Europe
AUSTRALIAN DOLLARS	30	 26	101	1991	1	Westpec Banking

# Watchdog suspends Inverchile funds

investment group in which Midland Bank of the UK has a 20 per cent stake, has had its operations suspended as a result of serious liquidity problems, Reuter reports.

The Chilean securities commission has frozen Inverchile's two mutual funds for three to 10 days. No purchases or redemptions will be permitted during this period. Inverchile, in which the

World Bank's International Finance Corporation also holds a 10.7 per cent stake, was suspended from trading on the

The commission said that Inverchile had "serious liquid-ity difficulties" due to a high concentration of transactions with the same type of instrument. The situation was caused by poor portfolio man-agement, it said.

The suspension does not affect Inverchile Equimark which manages two Chile country funds, both listed in

Brokers said that Inverchile's problem had arisen through a top-heavy portfolio

INVERCHILE, the Chilean Santiago Stock Exchange for 30 weighting in debt-linked gov-investment group in which days. weighting in debt-linked govbecame difficult to trade when Chilean interest rates shot up

> David Lascelles adds from London: Midland Bank confirmed that the bank was involved in discussions to solve Inverchile's problems, but said it was too soon to say whether this would cost the

Midland made its invest ment, worth \$1m, as part of its participation in Chilean government moves to convert some external debt into equity.

# Japanese derivatives approved by CBOT

By Barbara Durr in Chicago

THE Chicago Board of Trade has approved the launch of four Japanese derivatives products between mid-September and mid-October this year. The CBOT plans to start trading in Japanese govern-

ment bond futures and options on futures, as well as futures and options on futures of the Tokyo Stock Exchange index (Topix). Japanese derivatives have been on the back burner at the CBOT since 1988, when the Commodity Futures Trading Commission (CFTC), the futures industry regulator, granted its approval of the

Yesterday CFTC approval of the options on these two futures contracts was confidently expected. Agreements on these products are also in place between CBOT and the

Tokyo Stock Exchange.
The big concern about Japanese stock index products is that they lack a simultaneous cash market. Partly for this reason, the four contracts are likely to be traded during the CBOT's normal day session and at its night session as well, when Japanese markets

The CBOT's board also approved a special trading permit programme for one year to bring in more traders for the Japanese contracts. Partial seat holders in both the CBOT and the MidAmerica Comm ity Exchange, a CBOT affiliate housed in the same building, will be eligible for the special

permits.
The Chicago Board Options
Exchange also plans to launch
Topix options this year.

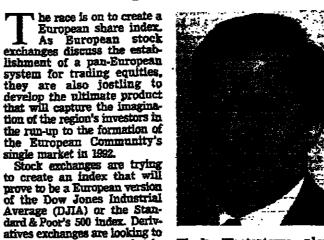
## Liffe extends short contract

THE London International Financial Futures Exchange (Liffe) is extending the length of its short sterling futures contract by a year, writes Deborah Hargreaves.

Extending the contract to three years will allow inves-tors to take a longer view on UK short-term interest

# Race to create a Euro-share index

Deborah Hargreaves on hopes for an exciting new derivatives product



Tjerk Westerterp: plans Ecu-denominated share index

the currency denomination of the index - Ecu, D-Marks, dollars or sterling.
In addition, the exchange is

still debating the composition of an index - if it included UK stocks, for example, it would be more attractive to overseas oe more attractive to overseas investors such as the US and Japanese, but less interesting to UK fund managers. If UK stocks were included in a European index they would represent 38 per cent to 40 per cent of its make-up, but UK fund managers wishing to track Enrope would not be interested in seeing such a strong weighting for domestic issues.

in theory, a European index sounds like a good idea, but in practice it is hard to isolate real demand for it. The stron-gest demand is likely to come from the US and Japan, but these investors are looking for a product that tracks European market movements and is not skewed towards any one country or industry.

Westerterp's proposal would include the 100 most highly-capitalised stocks in nine countries across Europe - not just the EC - in an index. In order of weighting within the index, this would carry stocks from the UK. France, Germany, Italy, Spain, Belgium, the Notherlands, Switzerland and Sweden.

The EOE says it will get its prices from Reuter since not all the stocks are traded on the Amsterdam Stock Exchange. But this could prove problem-atical since the integrity of pricing in an index is of paramount importance. An index based on SEAQ international would have the advantage of getting all its prices from the

same market. There is also dissent amongst the creators of these indices on how broadly-based they should be. France's Matif futures exchange is understood to be developing an index based on 300 European stocks. The US market offers little direction on this issue since of the two leading indices, the DJIA is based on just 30 stocks while S&P carries 500, and

both have their supporters.
Mr Howard Baker, head of the options division at the American Stock Exchange, explains the complexities of creating a new index. "On the surface it seems appealing to come up with a brand-new index, but you have to realise that local situations can still dominate an international product," he warns.

The Amex has most recently launched an international index the International Market Index based on 30 foreign stocks that are traded as American depositary receipts in the US. However, half the index is weighted on Japan, which depressed its trading level during Tokyo's recent price slide

while other markets were still rising. As a result, the index was not representative of the international situation and trading volume in the index is little more than a couple of

hundred contracts a day.

At the same time, Mr Baker
cautions against directing the index towards a particular industry group. The Amer's oil and gas index which includes 15 oil and 15 gas stocks has seen periods of inactivity as a rise in oil prices has been counteracted by a fall in gas

prices. Currency denomination is vital in attracting retail participation to a product. Most US private investors would have no idea how much an Ecu is worth, while denominating an index in D-Marks or sterling would create a risk from the

correacy exposure. This is not to say that all new index products are destined to fall, just that they have to be formulated carefully. "We would be very inter ested in the creation of a well-thought out index," says hir

Mr Westerterp is making a European gesture in throwing open his product to any other exchange that wants to list it, in a move that will build liquidity and increase the EOE's clearing business. But local exchanges are

eager to create their own products. The London International Financial Futures Exchange and the London Traded Options Market are discussing a merger - the plans of which are due to be announced at the end of June - and are looking on a joint exchange as a good base from which to launch derivatives on a Euro-index. in the run-up to 1932, there is on indices than co-operation.

# President of Amex quits

By Janet Bush in New York

cash in on the same market in

a bid to trade futures and

options products on the pan-

A group of brokers are meet-

ing in London today to discuss the development of derivatives

on the European index formu-

lated by London's Interna-tional Stock Exchange. The ISE has proposed a new index based on stocks traded on the exchange's SEAQ International

London is not alone in its European ambitions. Next Wednesday Mr Tierk Wester-

terp, president of the Amsterdam-based European Options
Exchange (EOE), will unveil more detailed proposals for the creation of a Top 100 index which will be denominated in

Eco. Paris is aiming to create

involved in calculating a Euro-

pean index are immense and

the big initiatives have left sev-

eral issues unresolved.

London's plan is largely formed as a shop window for

SEAQ International and

includes the top European stocks by capital value. But no

decision has yet been made on

However, the difficulties

its own product.

European index.

MR Kenneth Leibler has announced his resignation as president of the American Stock Exchange to become president and chief operating officer of Liberty Financial, a subsidiary of Liberty Mutual Insurance. Mr Leibler, 41, was passed

over for the top job of chair-man of the exchange when Mr

# Arthur Levitt resigned last

October. Mr Leibler's resignation appears to have been moti-vated not only by a desire for a broader management role but also by tensions since former Congress member James Jones, who has no background

in the securities industry or in

business, became chairman.

# Dealer in US could close

WESTPAC Pollock Government Securities Is winding down positions in the US government securities market and is expected to cease a a US primary dealer over the next few days, counterparties to the firm's trades said yesterday, Reuter reports.

Westpac, part of the Austra-lian Westpac Banking group, has been trying to find a buyer for the dealership over the

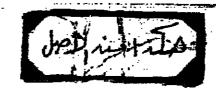
past few weeks. Dealers in the US Treasury market said efforts had been trans and the firm could soon cios Primary dealerships are dealer eral Reserve and are expected to make markets in US Tree SHITY SECURITIES SE WALL BE THE ticipate in the Ped's daily reserve management operations to add or drain from the banking system.

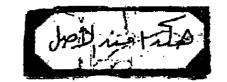
	FT-A(	CTU	\RIE	S SH	ARE	IND	ICE	<u> </u>	<u>.</u>		
	© The Financial Time				-	_					-
	in conjunction with the	insti	inte o	/ Actu	arios :	and th	e Fec	alty o	Actu	eries	
	EQUITY GROUPS	,	Wedne	sday J	une 20	1990	)	Tue Jua 19	Mon Jun 18	Fri Japa 15	Year ago (approx)
Figu	& SUB-SECTIONS res in parentheses show number of	Index	Day's	Est. Earnings Yield%	Gross Div. Yield%	Est. P/E Ratio	zd adj. 1990	lođex	lodex	lodex	Index
	stocks per section	No.	Change %	(Max.)	(Act at (25%)	(Net)	to date	No.	No.	No.	No.
	APTTAL 600DS (198)	896.12	-0.8	12.97	5.13	9.38	17.22	903.47	909.58	915.50	966,97
2 8	ullding Materials (27)	1136.27	-0.2	13.69	5.29	9.04	25.77	1138.13	1133.56		
3 0	ontracting, Construction (36)	1427.35	+0.2	16.86	5.76	7,72	34.64	1424.10	1421.86	1437.63	
<u>4 E</u>	lectricals (10)	2617.77	-0.1	10.86	5.13	11.32	61.43	2619.99			2851.7
키E	lectronics (29)	1800.49	-3.0 -2.2	10.33	4.19	12.55	21.38 9.42	1855.25 478.38	1898,86 491,70	496.92	2000
의트	ngineering-Aerospace (8) ngineering-General (43)	501.65	-0.1	13.85	4.98 5.09	8.60 10.31	8.93	502.11	503.19		0.00
	ngineering-General (43)		+0.7	23.32	6.68	5.08	2.46	499.88	496.76		519.0
	lotors (15)	372.20	-0.9	14.93	6.20	7.81	9.81	375.67	376.62	379.45	326.60
1212	ther industrial Materials (24)	1636.76	-0.5	10.82	4.91	10.67	34.38	1645.54		1670.01	1594.8
		1316.67	+0.1	9.28	3.83	13.32	19.74	1314.91	1375.24	1325,73	
	revers and Distillers (21)		+0.6	9.38	3.56	12.89	23.35	1612.82	1614.16	1624,16	1348.7
25 F	ood Manufacturing (20)	1110.88	+0.3	10.26	4.30	12.07	17.76	1107.57	1106.77	1114.80	1094.8
26 F	ood Retailing (16)	2462.40	-0.3	9,43	3.34	13.61	33.61	2470.97	2470.49	2492.35	2390.0
27 H	ealth and Household (15)	2578.40	-1.0	6.67	2.69	17.83	24.15	2604.90	2606.67	2621.92	
29 L	elsure (31)	1501.61	+0.2	9.74	4,11	12.48	24.36	1498.30	1493.11		
31 I P	ackaging & Paper (13)	( <b>613.5</b> 0)	+0.3	10.97	5.61	11.24	11.83	611.66	607.26	612.25	568.2
32 P	CO.1241113 Ct. 1 1 1 1 2 1 2 1 2 1 1 1 1 1 1 1 1 1 1	3582.54	#0.8	10.15	5.14	12.30	79.26	3552.79	3553.29		3590.9
34 S	tores (35)	836.82	+1.0	10.69	4,47	11.97	15.30		831.14	841.54	
35 T	extiles (12)	503.67	+0.4	12.55	7.10	10.20	16.06	501.48	503.08	505.37	538.5   1130.2
40 0		1200.50	+0.1	10.87	4.92 2.21	11.08	14.99	1199.59	1203.84		
	gencles (17) hemicals (23)	1727.69	-0.4	5.77	5.07	20.98 10.83	14.99 31.17	1321.06	1745.49		1292.4
42 C	7em(cats (25)	1704.04	-1.2   +0.1	10.80 10.07	5.85	11.90	26.40	1702.53			1604.0
윘	onglomerates (14)ransport (13)	2312.30	+0.7	10.62	4.46	11.95	40.07	2297.09		2303.59	2440.5
42 T	elephone Networks(2)	1213.70	+1.0	11.23	4.63	11.57	0.00	1202.09	1205.20	1217.28	1208.6
47 V		1946.40	-0.2	16.60	6.96	6.73	0.00	1949.87	1971.28	1977.97	0.0
		1811.32	+0.1	11.94	4.86	9.55	36.78		1811.04	1840.47	
	NDUSTRIAL GROUP (481)	1188.21	-0.1	10.67	4.49	11.44		1189.57		1201.88	1158.1
										2309.57	
	ii & Gas (19)	2323.97	+0.5	12.13	5.32	10.89	46.50		2243.56		2078.0
	00 SHARE INDEX (500)	1293.70		10.87	4.60	11.36	20.39	1284.16		1295.36	
	INANCIAL GROUP (167)	809.80	+0.9	11	5.63		20.36	802.90	801.17	809.82	735.8
	anks (9)	853.83	+1.1	19.22	6.30	6.81	25.62	844.18	844,09	854.08	734.9
65  (I	nsurance (Life) (7)	1454.42	+1.6	-	5.05	-	36.94		1421.40		
<u>66  1</u>	rsurance (Composite) (6) rsurance (Brokers) (7)	10.94	+1.2 +1.1		5.82 6.29	15.77	19.43 27.41	702.55 1027.31	697.41 1022.61	707.03 1055.81	568.8 964.1
5/  [i	Suraine (Brokers) (/)	4E0 45	-0.7	8.36	4.40	ا/رود	8.55	453.75	454.60	456.22	328.9
	ferchant Banks (7)roperty (47)	1000.00	+0.1	8.24	4.40	15.56	17.70	1089.88	1090.35		
אוקק	ther Financial (24)	299.11	-0.4	12.47	6.48	10.48	5.96	300.16	300.85	301.02	
		1226.88	_	-44.7/	3.18	10.70	15.14	1222.06			1148.4
			+0.4		3.18 6.40	12.32	43,49		1422.40	1428.55	
	verseas Traders (5)		+0.2	9.72	****						
<del>79</del>  ^	11-SHARE INDEX (679)	1169.61 ledex	+0.1		4.72	-	70.15	1108.35	1169,29	1178.39 Jun	Year
$\perp$		No.	Day's Change	Day's High (a)	Cap's Love (b)	19 2369.7	18	15	14	13	290 290

	FIX	ED !	NTE	REST	<u> </u>			AVERAGE GROSS REDEMPTION YII		Wed Jun 20	Tue Jun 19	Yeal ago (appro
PRICE INDICES	1	Wed Jun 20	Day's change %	Tue Jun 19	Xd adj. today	xd adj. 1990 to date	1 2	Coopers 15	years	10.99 10.71 10.64	11.09 10.87 10.77	10.0 9.6 9.4
British Ge 1 Up to 5 y 2 5-15 yea 3 Over 15 : 4 Irredeem 5 All stock Index-Uni 6 Up to 5 y 7 Over 5 ye	rears rs @ars ables s rears ars	115.43 122.54 126.49 144.51 122.29 146.40 138.90	+1.04 +1.51 +0.70 +6.83 +0.11 +0.55	124.60 143.50 121.29 146.24 138.14	-	6.27 6.80 6.15 6.36 6.63 1.49 2.03	67 89 10 11 11 11 13	Medium 5 Composs 15 25 High 5 Composs 15 25	years	11.97 11.05 10.71 12.08 11.31 10.92 10.64 5.24 4.15 3.96	10.77 12.13 11.24 10.87 12.24 11.49 11.09 10.72 5.28 4.19 4.15	7.3 10.0 9.6 11.2 10.2 9.7 9.3 3.8 3.7 3.0
8 All stock 9 Debutures			+0_51	138.64 98.59	-	1.99 5.86	15	Debs & Loans	5 years 15 years	13.96 12.84	13.45 12.86	12.0 11.6
0 Preferen	PE	74.01	_	73.87	-	3.09	17 18	Preference	25 years1	12.82	12.86 12.50	10.5

			)ND	ON	MAF	KET :	STA	TK	TIC	<u> </u>	
<u> </u>	·•	Ris	ES	AN	D FA	LLS"	YES	TE	RDA	Y	
	-				<del></del>			lises.	Fa	]k	Same
Britis Corpo	ratio:	is, Don	ision i	nd For	eign Bon	š		89 5	2	0 5 12	13 13
indúst Finan Oils	çiai z	nd Pro	perties			*************		364 199 20	1	19 28	424 40
Plant	ations		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					3 14		0 57	
Other						~		41	`	B2 	118
T	otals				************	<del></del>		735	5.	73	1,637
										_	
			L	OND	ON R	ÉÇENT	ISS	ÜE	<u> </u>	•	
EQI	ודוע	E\$								-	
bene	Am'nt Paid	Letest	19	90		<del></del>	Closing	tor	Net. Dir	Times Ga Corre Y	res P/E
Price	<b>19</b>	Date	High	125				Ŀ	l '	i I	ᆜ.
100 50	II.	] =	130 99 49	91	ASI Leisare Dartmoor ii EFM Jaca 1	ns, Tst. 10p   Pest	177 99 48		IM.7 K9.75	33 4	- 12 - 12 - 12 - 12 - 12 - 12 - 12 - 12
Ξ		=	<b>2</b>	썙	Do. Warran First Philips Do. Warran	ts te. law. Tst ts	25 25 17	-3	] =	=	=  =
200	FR. FR. FR. FR. FR. FR. FR. FR.		14	19 7 95	Fisher (Albertench Prop Do. Warran	at) Writs	99		=		=  =
盎		=	788 75 11	婴儿	Justinen Jest Justiner Euro	itis 169 Dier Units	- P	1	गञ्	25 2	ā 13.7
100		=	4	<b>35</b> 1	Do, Warran OLevertrest Locas Inds.	ts Sp Warnels	쨻	プラファラブマン ファラファラブ	P4.05	24 4	<u> </u>
- 46		=	4 H & H	71 84 95	Parities Fre	ach & Wissels _	BEANNIERS SELECTION BEST	+1 +1	Ξ	=	<u> </u>
†		Ξ	25	P. R. S.	Do. Warran	te	翌	ą.	435	20 5	2 mi
									•		
								_			
kwi	. 1.	noust (	Fi			REST	STO	CK	<u> </u>	Cinste	т
Price	.   1		Rement Cate	liigh	1990 Low	}	Sto	*		Price	
100 162.4	<u>,                                     </u>	7	-:	101		Schebird Toy Dartmoor be	s IZpc Co Tst 64.	lies i	1, 2005 1, Dh 2005		: I -
100p	: [	P. P	:	860 1130	839 959	European Leis Reprorth Cap Borbin & Col	Fig. 11	Oler) (	7 M PI Bds 2005 _ 2005	112 44 98	اة
1009	1			46-70 1050 550	960 259 960 350	Schebird Try Dartmoor law European Leis Nepworth Cap Reckitt, & Col Wyndiaan Gro York Trant 8.5	op 9,375 p (Se) R	c Cm.	70p	, g	
_				F	ЮНТ	OFFI	irs			-	
team Prior			Latest Researc		.990		Stoc	Ł		Clother	
300		49   NGI	Date 25/6	High	Low			_		,	Ŀ
8			-	Ligar Spar Ligar	1,000 2000 1,4000	Milled Leist Amber Day Astricy Group				9pa 33-pa 14pa	
での対応なる場合			2/2 2/27	73jes 13jes 6jes 149jes	48pm 26pm	Cater Alles II 4EW Fact St En-Lands Laporte	MGS, 51.			47)pa 4360 3,pa	il .
425 248 121-			247	149per 44pp 9bp	1, pm 1040ar 30pm 11 <sub>2</sub> pm	Laporte Morgan Otoc Si Group Sp .	ble			240 37pm 81 <sub>2</sub> mm	-2 +1 +2 +2
_		NE I	-	1	Cine 1	VM Canadia					
-	ज्यातम् इस्टी वर्ष	disident leid exc	on fail o	= 14560 0 2012), q isi pama	Assumed di Part, is Fores	#20ra Vision estimates d D vidend and yea ast, or estima	id. q Ear id. a Ear	nez part ubaya ka alisani d	ur projekte Maint de pre Maintent cat	en part o Bedrary t 2. corer	i capital, Spores, s Spores gar
over ba	ן שב ו	eroloos.	H Divide	est and y ther office M Division	ield based or Sai estimate pd gad vield	prospectus or for 1990-91.	other off LExtima octus or	ichi e iet au other :	timates for malised died Flickal out	1989. K dend,com nation for	Dividend 1990 W
over ba Neidend redioes ad yleid ased o	year's year's based laire	مودر بد اعدو	eraines.		بالكم سطيم	عنسند والم	or 1989 ates, W	70. Q	Gross, R F	miczsi w V iczani i	endised Thios.
over ba Nedend redoss ad yield ased os Nedend bridend	year's based latest and y	n prote cursi ( cd has ni pieri	eraings. d ea pro tio based	on prosp	ectus or othe	POTICIAL ESUS					
ed ylekt esed on Midend Inidend Offeres	based latest and y cover a d to ho	m prosp mend of eld base of piers dus of a figger	ersings. d en pro- tio based welloary s ed Mario er takeos	Section of the prosp the sales as et. B the er,	ectus or othe a "rights". its comprisi	ronicial esta Letroduction Up 11 new ord	S Placing	price.	tt Relation L'Annaire	ection, 4 counti	Unitsted Loc with
ed ylekt esed on Midend bridend Offere esettise	based latest and y cover a d to ho	m prosp Passal e eld base of pien des of o el, "Thi Merger (	ersings. d on pro- tio based anticory s rd Mario ar takeou	spectus of lan prosp diames as et. B Clai er.	ectus or othe a "rights". i its comprisi	r orneral estat l'atroduction leg 11 mes ord	5 Placing L & 2 vi	price. 1720is.	†† Reletani . ♦ Jahuni J	ection, 4 o connect	Unitsted Son with
ed ylekt esed on Midend Inidend Offeres	based latest and y cover a d to ho	m prosp recent of eld base of piens dus, of a st., "Thi	erzings. d en pro tilo based miliozy s ird Mario er takeon	Sectors o lon prosp dises as et. 6 Uni er.	ectus or othe a "rights". its comprisi	romena esta latroducilos lag 11 may ord	šPlacing L&2 va	price. Branks.	†† Reletani , ∲ katumi i	ection, 4 g counts	Collisted Los with
ed ylekt esed on Midend Inidend Offeres	based latest and y cover a d to ho	m prosp Parami ( eld best of piers des of ( c., " Thi Merger (				<del></del>			†† Relation	ection, 4 s counts	Unitsted
ad ylekid esed on ilvidend hidesid, Offere esertide eserganis	i based i latest i and yi contra d to ho s mark sation,	m properties of the state of th		RAL		IAL OF	TIO	N\$	Res., F		

FINANCIAL & PROFESSIONAL SERVICES IN BIRMINGHAM AND THE MIDLANDS





## **UK COMPANY NEWS**

# Core business behind 5% rise at Unigate

UNIGATE, the food and transport group, lifted pre-tax profits by 5 per cent in the year includes the St Ivel brands, UNIGATE, the 1000 and transport group, lifted pre-tax profits by 5 per cent in the year ended March 31 as it made up some of the ground lost when it sold half of its dairy interests in January 1989.

However, progress made by its various food businesses, which typically sell to the buoyant UK supermarkets sector, was hampered by poor showings from the vehicles sales and distribution side.

sales and distribution side.
At the operating level, profit declined from £111.7m to £108.4m on sales of £2.44bn (£2.35bn). This was in spite of a £6m increase to £12.7m in other activities, mainly from the sale of the head office, and a £4m pensions windfall following

new accounting practices.

After a £2m increase in the contribution of a Dutch associate and reduced interest costs of £10.5m (£16.8m), pre-tax profits advanced from £100.5m to £105.5m. Debt had been sharply reduced by the £128m dairies

includes the St Ivel brands, had done well to limit its profit fall to £3m at £59.7m. Within this, the remaining 54 per cent of the dairy activities had contributed £24.9m (£34.8m). Fresh foods' profit declined from £27.1m to £24.5m, after health scares and disruptions to the distribution business.

Farm foods, which had been hit by a salmonella scare in the previous year, recovered from a profit of less than £1m to £10.3m after strong performances in poultry, bacon and animal feed.

Overall operating profit from US food was little changed at £12.4m (£12.1m). Strong growth

£12.4m (£12.1m). Strong growth at the restaurants was offset by problems with the cheese business following a 37 per cent increase in milk prices. Falling vehicle demand and the collapse in second hand values hit the distribution

educed by the £126m dairies businesses, which made operating profits of £23.6m (£30.2m). In the Wincanton group, mar-



hn Clement: UK food business had done well to limit its profit

gins were depressed in both motor retailing and contract hire; car auctions, however, al. 59 (29.6p). A re-

had assets of R5.48bn. Turn-over in the year to end-Febru-ary was R2.73bn and net

income was R605m. It was ranked the 11th largest indus-

trial company in the country last year, but has almost cer-tainly risen up the list since

had a good year.
Giltspur, which provides exhibition services, was adversely affected by the

Earnings per share rose to 31.5p (29.6p). A recommended final dividend of 9.6p makes a total of 15.3p (13.9p).
The shares gained 7p to close

# UK buy for S African pulp maker By Andrew Hill in London and Philip Gawith in Johannesburg

SAPPI, a South African pulp and paper maker, has made its first move into the UK manufacturing sector, buying five speciality paper mills with a consortium of outside investors for R500m (£109m).

The move is part of a continuing trend on the part of South African companies to source more of their earnings outside the country as a hedge against a weak currency and possible nationalisation moves

by a future government. Sappi, one of South Africa's largest industrial companies, is buying three mills from Pembridge Investments for about £60m. The mills - based in Fife, Hemel Hempstead and near Bristol – are part of DRG, the paper and packaging group won by Pembridge last November following a hostile

(£29,0m) 1988

vehicle in which Sappi is the major shareholder, will also spend £47.5m on Star Paper's mills — in Blackburn and Oxford — which belong to Kymmene, the Finnish forest products company. Kymmene, which used Star for its first move into the UK in 1930, is to concentrate on high-quality bulk programments. bulk paper rather than the spe-ciality paper and paperboard made by the British group.

Mr Eugene van As, Sappi's managing director, said yester-day that the businesses would operate as one integrated paper company. Sappi executive director Mr Kim Jokipii has been seconded to the UK to establish the new company and will be joined by Mr Machiel Reyneke, Sappi financial manager, to form the nucleus of the new group.
Mr van As said the products

Hirose, the acquisition of the milis complemented the

FINANCIAL HIGHLIGHTS

PROFIT(LOSS) BEFORE TAXATION

EARNINGS PER ORDINARY SHARE

DIVIDEND PER ORDINARY SHARE

SHAREHOLDERS' FUNDS

"The year ended 31st March, 1990 marked another year of contin

Robert Fleming & Co. Limited, a member of The Se

We have a clear strategy to develop in the energy, building and was

ries, all of which offer good growth prospects in the 1990s."

ent has been issued by NSM plc and approved by

D.T. Cars. Chairman

£84.8m .

## Smurfit buys minority stakes for £17.5m products made by Sappi's spe-ciality paper mills in South Airica. He added that a signifi-By Andrew Hill

cant portion of their pulp requirements would be sourced from Sappi's South African SVENSKA Cellulosa, which yesterday announced an agreed bid for Reedpack, has sold its minority holdings in operations. Sappi also plans to use its existing distribution network in Europe, the US and the Far East to handle the exports of the UK paper mills. packaging companies in the UK and Ireland to Jefferson UK and Ireland to Jefferson Smurfit, the Irish paper and packaging group, for £17.5m. Smurfit is buying the 49 percent of Smurfit Corrugated Ireland which it does not already own, and a 24.5 percent stake in UK Corrugated.

The purchase means Smurfit now owns 50 percent of IIK The acquisitions will be financed through financial rand and offshore borrowings, and are expected to add 100 cants per share to Sappi's earn-

now owns 50 per cent of UK Corrugated. The balance is held by Macmilian Bloedel, a Canadian forest products com-

pany.

Mr Michael Pettigrew, Smurfit's company secretary, said
yesterday that there were no
plans to try to buy the remaining shares in UK Corrugated,
but he added: "If at any stage
they [Macmillan] became sellers we would obviously be

SCA said it would cover the markets supplied by Smurfit Corrugated and UK-Carrugated through wholly-owned compa-

● Smurfit also announced that one of its UK subsidiaries had bought Texboard, a manuin Leek, Staffordshire. The company, which did not dis-close the purchase price, described the acquisition as "a natural extension of our existing board manufacturing and conversion business in the

## Placing values **Pittencrieff** at £20.46m

Pittencrieff, a Scottish oil company whose shares were previously traded on a matched-bargain basis, is graduating to the official list via a placing which gives it an initial market value of £20.46m, writes Clare Pearson.

Some 7.2m shares, represen ing 42 per cent of the enlarged capital, are being placed at 120p each. Apart from a small share sale by a non-executive director, all the proceeds repre

sent new money. Net assets per share following the placing will stand at 89.41p. The historic p/e at the placing price is 12.99 and the notional gross dividend yield

2.56 per cent. For the first half of 1990 the company is forecasting a profit before tax of £450,000, which compares with £708,000 for the whole of 1989.

As a policy, Pittencrieff does not involve itself in explora-tion and is mainly concerned with oil and gas production and development in the US. Financial adviser to the placing is Edinburgh-based Quayle Munro; Bell Lawrie and Grieg

Middleton are brokers.

# Saatchi's banks agree to request for £40m guarantee

By Alice Rawsthorn

SAATCHI & SAATCHI, the communications and consul-tancy group, yesterday announced that it had secured the agreement of its banks to provide a £40m guar-

antee. The banks have given their agreement in principle for the guarantee, which was needed to enable Saatchi to continue to buy television airtime in the UK.

the UK.

The documents relating to the guarantee should be signed over the next few days. Saatchi was asked to supply the guarantee by the Independent Television Association, the body which represents the commercial television companies in the UK.

Advertising agencies usually pay for television airtime after their commercials have been broadcast. But if the ITVA broadcast. But if the ITVA becomes concerned about an agency's financial condition, it can ask the agency to provide a guarantee equivalent to the highest sum of money it has spent on commercial television over two successive months in the argulans wag.

the previous year.

The Saatchi group owns three of the largest UK agencies — the Saatchi agency.

BSB:Dorland and KHBB — and is the biggest single spender in the television market.

In recent months it has been beset by financial problems

beset by financial problems because of the debts incurred in its acquisitions in the 1980s. It has also suffered from the slowdown in the UK advertis-

Santchi is trying to sell its management consultancies to raise about £80m to reduce its

Earlier this month it reached conditional agreement to sell Hay, the largest of the to sell Hay, the largest of the consultancies, as a \$80m (\$47m) management buy-out.

Before the end of Saatchi's financial year on September 30 it is expected to conclude the sale of Gartner, a US computer consultancy, and possibly of one other consultancy.

# Fears are stoked as coal men deliver little slack in final offer

IKE MOST bid battles, the billion pound tussle over Globe, the UK's biggest investment trust, finally came down to price yes-

terday.

Shortly after lunch, the predator, the British Coal pension funds (BCPF), made the long-expected increase in its offer, raising its terms from 191p to a final 205p per share. Barclays de Zoete Wedd. its

adviser, swept into the market seeking to buy up to 95m shares, but falling well short of the target. BZW declined to comment on the results of the raid, but, judging from Seaq trading volume, the bidder's overall level of control may now be around 40 per cent.

Globe's fight for independence is still on - at least tem-

porarily.

The level at which BCPF finally pitched its offer undoubtedly caused some surprise. True, it fell slap in line with Globe's share price ahead of the appointment but it of the announcement, but it was still some 5p to 8p lower was still some 5p to 8p lower than many analysts were predicting. "Very opportunistic," remarked one pundit, "but they're playing on investors' fears of being left as minority shareholders."

That worry was given an extra twist by BCPF's canny and well-publicised instruction to their brokers to buy up to only 95m shares for cash — a number designed to take the

number designed to take the bidder just over the 50 per cent mark. Anyone who missed this selling opportunity could be obliged to accept the offer instead, and that, in turn,

might mean waiting weeks before receiving any cash. In short, it looked a neat way of creating a rush of sellers. In the event, however, the trading volume was only 51m shares which, allowing for some double-counting, may suggest an addition of some 5 per cent or

so to BCPF's 34 per cent stake. This relatively low level seems to have surprised even Globe, and left it in unexpectedly hopeful mood last night. "The very strong advice from our brokers is that they misjudged this," said Mr David Gregson, a Globe director.

The coal men themselves The coal men themselves

service" net asset value figure of 214p per Globe share, and then making certain adjust-

They have added 2.8p for the enhanced value of Globe's 5.5 per cent stake in Reedpack, following yesterday's agreed offer for the paper company. They have also accepted Globe's 0.5p estimate for dealing investments and properties. BCPF then deducted 1.4p per

share for the write-off of Globe's investment in British & Commonwealth Holdings, and subtracted a similar

Nikki Tait canvasses some opinions on British Coal pension funds' final 205p bid price for Globe Investment Trust

and the calculations and finely-tuned adjustments that were made arriving at the figure

amount for their own estimate of the trust's bid costs. That gives an adjusted net asset value of 214.5p a share, with the bid price representing a 4.4 per cent discount.

Globe, not surprisingly, does these sums very differently. It does not quibble with the 214p hase, the upward adjust-ments, nor the B&C write-off. What it does suggest is that there should be further additions to allow for the 4p final dividend – which is not nor-mally included in investment trust net asset valuations but which BCPF will not pay out - plus something for cash generated since the start of the year. On the latter score, it points to the high level of liquidity - some 11 per cent - in the fund at present.

In an ideal world, Globe would also like some allowance have rationalised their final offer by taking the June 19

estimated the worth of these at 8.1p per share. It even went on to argue that the cash portion of its assets should not be bought at any discount at all.

Analysts tend to pitch somewhere between these two views. On the one hand, there is some sympathy for the divi-dend and fund management additions, although distinction is drawn between Globe Management, which handles the trust, and the two other subsidiaries, Globe Morley (pension fund management) and Globe International (overseas investment services). The latter enti-ties, runs the argument, might form separate saleable busi-nesses. For this reason, some

nesses. For this reason, some additional value should, perhaps, be added in.

Equally, however. City pundits concede that some deduction should be made for bid defence costs, which may be mounting significantly. This, unfortunately it a subject on unfortunately, is a subject on which Globe is less than forthcoming, and any figure is spec-ulation only.

ulation only.

Such methodology, coupled with some admitted guesswork, takes at least one analyst to a value of a little over 220p per share. The BCPF bid is then pitched at a discount of about 7 per cent. That is on the ungenerous side; as a very general rule, trusts tend to go out at 95 to 96 per cent of

asset value. The most significant exception was TR Industrial & Gen-eral, BCPF's last victim in the trust sector. That was swallowed up at an 8 per cent discount, for £560m, with the greatest of ease. This time, the predator has faced a considera-bly tougher struggle from start, thanks to an unhelpfully bullish stock market and Globe's own vociferous

By yesterday evening, it looked as if the closing stages of the bid would continue in similar form. The remaining unknown, of course, is the market. So from the institutionalised corridors of British Coal's Hobart House to Globe's more elegant surroundings on the Embankment, the repercussions of Friday's trade fig-ures may be watched with abnormal attention.

# Acquisitions help boost NSM by 59%

By Andrew Bolger

NSM, the mining and building products, group, yesterday reported that acquisitions lifted pre-tax profits by 59 per cent, from £16.52m to £26.2m. in the year to March 31, and announced its first foray into

Europe. Turnover r £171.4m (£110.93m), but earnings per share were up by a more modest 21 per cent to 9.75p (8.06p). The dividend is stepped up 17 per cent to 3.5p

(3p). Mr Don Carr, chairman, said the group's coal operations had performed better during the year, with those in the US making a considerable improvement. Substantial long-term contracts had been obtained to supply power stations with coal which met rigorous environmental stan-

In the UK, the group had suf-fered from some licensing and planning delays, but the result showed an advance on last year. Recent legislation increasing the site licences available from British Coal,

indicative of the strength of the business, given the prob-lems that had beset others in the building sector.

Bison had agreed to pay Fl

28m (28.5m) cash for a Dutch company, Monoliet Beton Breda, which makes pre-cast concrete flooring. In 1989 Monoliet produced pre-tax profits of £1.6m on turnover of £10.9m, and at the year-end its net assets were £3.1m. The present management would remain.

Mr Carr said the Dutch com-pany would share the Bison trade name and be used as an entry point for the full range of the group's building activities, which includes concrete, steel, plastics, timber products and NSM intends to build a third

100

leg of business in the treatment and disposal of waste. Its first two landfill sites will start operating next month in the Midlands, and the company is seeking permits in the US to landfill on its own property and to acquire existing landfill

**O COMMENT** NSM's share price was chased

available from British Coal, coupled with a reduction in the royalty payment, was good news for the future of these operations.

Mr Carr said Bison, the building products division, had a strong year with like-for-like profits up 35 per cent. This was indicative of the strength of was spreading to the commer-cial sector, upon which Bison relies much more than private housing. A £49m rights into a falling market in February did not help, and in March Anglo United said that its 21 per cent stake was up for sale. How-ever, Bison is a first-class business, even if it may struggle to maintain profit levels in the current year, and the Dutch acquisition looks a shrewd move. Analysts are now looking for profits of about £32m next year. At 82p, up 1p on the day, the shares are on a prospective multiple of just over 8. That looks good value in the long term, given the strength of the US coal busi-ness and the so far unrealised waste disposal prospects.

# Reckitt studies colours sale

By David Owen

RECKITT & COLMAN, the UK food and household products group which recently bought most of American Home Prodmost of American Home Frou-ncts' Boyle-Midway household division for \$1.25bn, is reviewing whether to sell its Reckitts Colours pigment

Interest has been expressed in acquiring the division, which manufactures Ultrama-rine — a laundry pigment — as well as various industrial prod-

Analysts estimate that the unit, which is based in the UK and France and earned pro forma operating profits of £4.6m on turnover of £23.2m in 1989, could fetch between

£35m and £50m. The Brazilian Globo operation is not included.

Reckitts Colours was not among the three or four non-core subsidiaries earmarked for disposal by the group in March upon clinching the Boyle-Midway deal in order to raise £150m.

Mr David Saltmarsh, com-pany secretary, explained yes-terday that Reckitt had seen no evidence then that the time was right to sell the unit. "We perceived we would not be able to get the sort price to justify disposal," said.

now decided that it "simply cannot ignore" subsequent unsolicited approaches. "Per-haps the time is right" after

However, the company had

The announcement raises the prospect that Reckitt's dis-posal programme may yield more than the £150m originally targeted. The expressions of interest in Reckitts Colours have channelled the group's attention to the fact that there are still businesses and brands which are not central to its strategy, according to Mr Salt-

The shares climbed 2p to

Mr Ernest Potter, ex-finance director of Cable & Wireless, has resigned as chairman of Holmes Protection Group, the New York security company which has a London listing, for family reasons. The shares fell 3p to 12p yesterday. Mr Potter joined the com-

pany last October as a non-executive director and became

Holmes, which has effec-tively been under new management since January, is to announce its 1989 results tomorrow. Analysts expect the figures to include substantial

AH Ball down 14% in first year on USM Taxable profits of AH Ball Group, the water pipeline contractor, continued to fall in the second six months and for the year to end-March showed a decline of 14 per cent to

Turnover expanded from £5.81m to £6.27m. A £58,000 rise in interest income to £133,000 was more than offset by a £76,000 increase to £986,000 in administration costs. Earnings fell by 4.19p to

12.26p. A final dividend of 4.55p makes a 6.75p total — Ball joined the USM 12 months ago.

# US\$250,000,000 ML TRUST XVI

of the Bonds, notice is hereby given that the Rate of Interest has been fixed at 8 § % for the Thirteenth Floater Interest Period of 20th June, 1990 through to 19th September, 1990. Interest accrued for this Floater Interest Period is expected to amount to USS 9.59 per US\$1,000 Bond.

Texas Commerce Bank National Association at the office of its secont at

PAYING AND TRANSFER AGENT

SEI 9HL **FINANCIAL TIMES** 



# The Republic of Italy U.S.\$500,000,000

Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 21 June, 1990 to 21 December, 1990 the Notes will carry an interest rate of 8%% per annum. The interest payable on the relevant interest payment date, 21 December, 1990 will be US\$425.73 per US\$10,000 Note and US\$10,643.23 per US\$250,000 Note.

Istituto Bancario San Paolo di Torino, London as Agent Bank

# **DIVIDENDS ANNOUNCED**

	Current payment	Date of payment	ponding dividend	for year	lest year
Ball (AH) §fin	4.55	Aug 3		6.75	-
Booth Indafin	25	-	1.6	3.2	2.2
Davy Corpfin	6.25†	Sept 7	6	9	8.5
Hambrosfin	7.9	Sept 3	6.7	11.5	10
Hoskynsint	0.75	8 guA	0.65*	-	2.1*
Marina Devs §fin	7†	Oct 31	5.5	12	7.5
Mountylew Estsfin	7.5	Aug 20	7.5	11.5	9.5
NSM	3.5	Ξ	3	3.5	3
Phoenix Timberfin	1.65	Aug 1	1.65	2.75	2.75
Guillgotti §fin	1.44	Sept 17	0.17	2.2	0.17
Sheriff §int	1.9†	Aug 24	0.75	-	4.5
Stirlingfin	1	Oct 12	0.85	1.5	1.35
Tams (John) §fin	2.4	Aug 17	2.4	3.78	3.6
Unigatefin	9.6	July 30	8.6	15.3	13.9

Dividends shown pence per share not except where otherwise stated. "Equivalent after allowing for scrip issue, tOn capital increased by rights and/or acquisition issues. §USM stock.

# Holmes chief resigns

chairman when Mr Brian O'Connor stepped down in January. However, he has been on leave since April.

provisions.

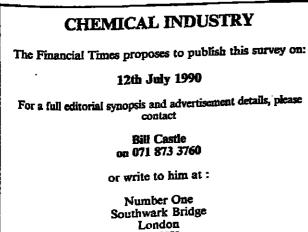
# Collaterilised Mortgage Obligation Floater Class A Boods nce with the provis

PRINCIPAL PAYING AGENT

at the office of its agent at Texts Commerce Trust Company of New York 80 Broad Street New York, New York 10004

Citicorp Investment Bank (Luxembourg) S.A. 16 Avenue Marie-Therese L-2012 Luxembourg

Merrill Lyach Internation Bank Limited Agest Bank



progress for your Company.

This advertise

**Phoenix** 

**Timber** 

planed down

PHOENIX TIMBER Group,

where Mercurius, the Swedish

industrial and investment

group, this week lifted its

stake to 29.3 per cent, yester-day announced pre-tax profits down from £1.42m to £856,000

in the year to March 31.
But the Essex-based timber

products and property care

services business emphasised

that 1989 was also marked by a significant strengthening of

Mr Quinn said Phoenix had had only "very little contact" with Mercurius, which on

Tuesday announced it had raised its stake, built up since

last November, from 28.3 per

They have assured us they

sion they are very dis-

are long-term investors, but they haven't elaborated on that," he said. "I don't get the

posed to answering questions."

Phoenix achieved a 10 per

cent rise in turnover to £70.41m (£64.03m) during the

year. But operating profits declined by £186,000 to £3.12m, reflecting, the com-

pany said, "severe competition

in a depressed market.

Earnings per share fell to 4p (10.2p). An unchanged final dividend of 1.65p is recommended, making a same-again

Mr Quinn said that two directors promoted to the

board only 18 months ago, Mr Ian Tozer and Mr David Peg-gie, had left the company and were not being replaced "until there is an improvement in

Mercurius now has by far

the largest shareholding in Phoenix. Four UK institutions

account for a further 33.9 per

cent. Directors hold about 5

2.75p for the year.

ship last month.

Quiligotti slips

12% to £2.07m Quiligotti, the Cheshire-based

USM in March 1989, yesterday reported a 12 per cent decline in taxable profits for the year to end-March 1990.

In spite of the widespread downturn in the UK construction industry, the group saw turnover expand from £17.75m to £30.45m in a year which

to £20.45m in a year which showed increased penetration in the UK market and the

establishment of subsidiaries in the US and the Irish Repub-

Profits dipped to £2.07m (£2.34m). Mr John Riordan, the chairman, said gross margins had held up well in the hard flooring business, but had fallen significantly in the

fire surround divisions, reflecting the slowdown in

consumer spending.
Rarnings per 5p share worked through at 44p, down from 5.7p last time, and a proposed final dividend of 1.44p makes 2.2p (0.17p) for the

**BOARD MEETINGS** 

The following compenies have notified dates of board meetings to the Stock Exchange. Such meetings are usually hold for the purpose of considering dividends. Official indications are not available as to whether the dividends are interine or finals and the subdivisions shown below are based mainly on last vestric timesthies.

to £0.66m

By Clare Pearson

## £39,800,000 **Medium Term Loan Facility**

Arranged and Underwritten by Dresdner Bank Aktiengesellschaft, London Branch Union Bank of Switzerland, London Branch

Subordinated Debt of £3,800,000

Dresdner Bank Aktiengesellschaft, London Branch

Senior Debt of £36,000,000

Provided by Bank für Gemeinwirtschaft AG, London Branch Bayerische Landesbank Girozentrale, London Branch

Crédit Lyonnais National Bank of Abu Dhabi The Tokai Bank, Limited

Dalwa Europe Bank pic Postipanikki Ltd, London Branch Union Bank of Switzerland, London Branch

Dresdner Bank Aktiengesellschaft, London Branch

English Legal Advisers to the Underwriters and Agent Allen & Overy

Dresdner Bank



# **Preston Farm Business Park**

a joint venture between

**DEVELOPMENT CORPORATION** 

Paul Caddick Ltd and MacGay Ltd

funding arranged and provided by

**COUNTY NATWEST** 

LEEDS OFFICE

**& The NatWest Investment Bank Group** 

County NatWest Limited is a Member of The Securities Association

This advertisement is issued in accordance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange"). It does not constitute an invitation to any person to subscribe for or purchase shares. Application has been made to the Council of The Stock Exchange for the admission of 17,052,742 Ordinary Shares of 10p each in Pittencrieff plc to the Official List. It is expected that admission to the Official List will become effective and that dealings will commence on 2nd July, 1990.

# Pittencrieff

· plc ·

Placing by Quayle Munro Limited

in conjunction with Bell Lawrie White & Co. Limited

and

Greig Middleton & Co. Limited

7,200,000 Ordinary Shares of 10p each at 120p per share

**Authorised** £2,341,026

Share Capital in Ordinary Shares of 10p each to be issued fully paid £1,705,274

Pittencrieff plc is engaged in the oil and gas and related industries in the USA; the predominant activity is oil and gas production and development. The Group is not engaged in oil and gas

The Listing Particulars relating to the Company have been approved as required by the listing rules made under Section 142 of the Financial Services Act 1986 and are available in the statistical services of Extel Financial Limited. Copies of the Listing Particulars may be obtained during normal business hours up to and including 25th June, 1990 from the Company Announcements Office, The Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD, and up to and including 4th July, 1990 from:

Bell Lawrie White & Co. Limited 7 Drumsheugh Gardens Edinburgh EH3 7QH

21st June, 1990

Quayle Munro Limited 42 Charlotte Square

Edinburgh EH2 4HQ

Greig Middleton & Co. Limited 66 Wilson Street London EC2A 2BL

# 8.6275% per ann

VITAMEN LTD, Series B US \$60,000,000

Secured Floating Rate Notes 1993

21st June, 1990 to 21st December, 1990

Asprey ... Beter Had BB & EA .

# **UK COMPANY NEWS**

# Sharp advance in spite of uncertainty over future ownership Hoskyns surges 22% to £8.2m

HOSKYNS, the leading UK its customers' behalf, is the computing services company which GEC and Siemens put on the market six months ago, increased its profits from £6.7m to \$8.2m pre-tax for the half year to end-April

The 22 per cent improvement was achieved in spite of a significant slowing in the UK software market and con-tinued uncertainty over its ownership.
Sales advanced by 28 per

cent to £111.7m while earnings per share rose 17 per cent to 6.3p. The interim dividend is stepped up from 0.65p to 0.75p. Mr Geoff Unwin, executive

the balance sheet. Mr Peter Quinu, chairman, said this chairman, said the company stood it in good stead to weather another difficult year for the building industry. Year-end net gearing had had displayed a reassuring resilience in spite of "a general economic tightening and uncertainty over the company's ultimate ownership." He fallen from 82 to 40 per cent. This followed the sale last Sep-tember of Phoenix's wharf and cted to report another year of solid performance. adjoining 17-acre site at Rainham for £5.75m. The net interest charge stood at £2.46m

Hoskyns, which specialises in facilities management and running computer systems on most consistently profitable of the UK's large computer services companies and has shown a consistent series of increases in earnings per share over the past decade while other major players in the sector have performed

Mr Unwin warned, however, that market circumstances meant that he did not expect to see much, if any, growth between the first and second halves of the current year.

GEC and Slemens put the company on the market as a consequence of their acquisition of Plessey last year. Mr Unwin said that Siemens had renewed the facilities manage ment contracts with Hoskyns which it had acquired as a result of the Plessey deal. while GEC was running them down

Facilities management sales to GEC and Siemens were worth a little over £30m; loss of revenues as a result of GEC's



Geoff Unwin: displayed a

reassuring resilience

withdrawal were difficult to calculate but would be several

have to run very hard, Mr Unwin said, to replace the lost revenues in the current eco-

aomic climate The sale of the company bad been delayed much longer than he had anticipated. Talks were still going on with a number of companies of whom three or four could be considered mri-

There had been interest from the US. Europe and Japan. Mr Unwin would not comment on suggestions that likely bidders were the US Baby Bells or the Japanese facilities management house

ous suitors, Mr Unwin said

A deal had not been concluded, he said, because the business outlook for the sector had changed, other services companies had shown patchy performances in the past few months, and because of ere-

nomic uncertainties. The delay had hurt business in terms of staff recruitment possible acquisitions and in

# Takare seeks £18.8m to speed expansion

TAKARE, the fast-growing nursing home group, yesterday announced an £18.8m share placing and open offer to enable it to meet strongerthan-expected demand from

district health authorities. Takare, a beneficiary of the Government's drive for the National Health Service to con-tract out, also forecast that pre-tax profits would almost double to £4.25m (£2.15m) in the year to end-December.

Earnings per share are expected to rise by 52 per cent to 27.6p and the dividend payment by 59 per cent to

4.3p.
Three major contracts

awarded this year from district health authorities in Ealing, Glasgow and Chester have brought the total revenue value of Takare's long-term contracts to more than

Yesterday the shares closed unchanged at 560p. The new shares being conditionally placed, with clawback for shareholders on a two-forseven basis, are priced at

The company is also proposing a four-for-one subdivision to improve the marketability of its tightly-held shares. Takare said its building pro-

gramme had accelerated and it

expected to have more than 2.700 beds in use or under construction at the end of the year. This number meant it was growing faster than it envisaged last year. Then it foresaw that four new homes would be completed during 1990 and the figure would rise to at least six per year

The open offer and placing follows a £21m cash call on shareholders which Takare made in May last year, when it leap-frogged from the Third Market to the official list. The company said yesterday that high UK interest rates meant a further tranche of its £9m debenture stock could not be made on acceptable terms.
After the share issue, directors will speak for 36 per cent of the company, down from more than 50 per cent. The stake held by Singer & Fried-lander, the merchant bank, will rise from 22.34 per cent to

29.39 per cent. Singer & Friedlander has agreed to restrictions on the voting rights attaching to shares held over 20.5 per cent. An early investor in Takare, it also has an unusual agreement preventing it from accepting a hostile bid, subject to the management meeting certain per-

# Aberdeen Trust launches new \$41m Far East fund

by 1992.

ABERDEEN TRUST Holdings has, through its Aberdeen Fund Managers investment management subsidiary, launched New Asia Fund, a \$41m (£23.8m) closed-end Guernsev-based fund.

The fund will invest in the less mature markets of the Far East - mainly comprising Indonesia with an initial 30 per cent, Thailand with 30 per cent, and Malaysia with 25 per cent - and has been targeted at investors outside the UK. mainly in Japan and continen-

Sponsored by Goldman Sachs International, the launch is taking the form of a placing

of 4.1m ordinary at \$10m apiece with investors entitled to one warrant for every five shares

Mr Hugh Young, director of Aberdeen Fund Managers, is investment manager of the fund and on the board will be aging director of Tara Siam

Business Information and a former vice-president of the Industrial Finance Corporation of Thailand, and Dr Kamal Ban Mat Salih, a director of the Malaysian institute of Economic Research, the Bank Bumiputra Malaysia and Cement Industries Of



# SUMMER/AUTUMN 1990 **CALENDAR**

**FT City Seminar** 9, 10 & 11 July - London

**Telecommunications &** the European Business Market 11 & 12 July - London

World Aerospace and Air Transport to the Year 2000 and Beyond

28, 29 & 30 August - London

**World Mobile Communications** 

**Pollution Management** 2 & 3 October - Birmingham

**FT-City Course** 

8 October - 26 November - London

24 & 25 September - London

**Product Strategies for the 90s** 15 & 16 October - London

**Financial Times/ Price Waterhouse** Capital Markets Workshops 17, 18 & 19 October 21, 22 & 23 November 5, 6 & 7 December - London

City Regulation Reappraised 5 November - London

**World Electricity Conference** 12 & 13 November - London

**Business with Spain** 19 & 20 November - Madrid

**European Business Forum** - Business in Central and Eastern Europe

26 & 27 November - Rome

Please send me further details ☐ FT City Seminar

World Mobile

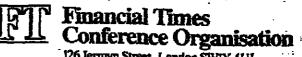
☐ FT-City Course

Product Strategies for the 9%

City Regulation

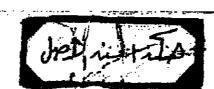
World Electricity

C Business with Spale European Business Forms - Business in Central and For information please return this advertisement, together with

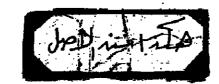


126 Jermyn Street, London SWIY 4UJ Alternatively, Telephone; 071-925 2323

Telex: 27347 FTCONF G Fax: 071-925 2125



June 29 July 3 July 12 June 28 Sept. 3 Sept. 14 July 12 July 18



**UK COMPANY NEWS** 

Slump in UK housing market holds back profits advance

# Hambros improves 10% to £75m

By David Lascelles, Banking Editor

THE SEUMP in the UK housing market put a damper on profits at Hambros last year, holding growth to 10 per cent at the pre-tax level.

HI KINN THE

The merchant banking, financial services and estate agency group yesterday reported profits of 275.3m, up from \$68.7m, for the year ending March 31. The outcome after tax and minorities

259.2m, against \$40.3m.

The bulk of the increase came from the banking side where income rose 74 per cent to 564.1m reflecting growth in nearly all businesses and geo-graphic regions. The division also benefited from £81m of new capital which was generated from last year's acquisition of Hambros Investment Trust (HIT).

Trust (HIT).

Mr Chips Keswick, chairman of Hambros Bank, said that the main contributors to banking profits were leasing and asset management, treasury operations and Eurobonds. The bank had also earned \$5m (£2.9m) as adviser to Sir James Goldsmith's unsuccessful £13hn takeover bid for BAT Industries.

Industries.
Hambros direct investments generated record profits of £37.1m (£25m). These include a 19 per cent stake in CE Heath, the insurance brokers, and 89 per cent of Berkeley Hambro Property.

However, there was a loss of £9.2m on the retail financial services side which includes Hambro Countrywide, the estate agency business. Mr Christopher Sporborg, chair-man of group investments, said the housing market "remains



Chips Keswick: the bank earned \$5m as Sir James Goldsmith's adviser in his unsucc

bro Countrywide's prospects because measures had been taken to make it "lean and

mean", and diversify its sources of earnings.

Overall, Mr Charles Hambro, group chairman, said that the performance had continued to be "encouraging". The rise in banking profits rested on a liq-uid balance sheet, strong ratios and a wide spread of business. Hambro Countrywide was also ready to take advantage of an upturn in the housing market,

extremely uncertain", though was well diversified and con-he was confident about Ham servatively valued.

There were no direct profit benefits from Hambros' share-holding links with Istituto San Paolo of Italy (which owns 12.3 per cent) or Banco Bilbao Vizcaya (5 per cent) in terms of added cross-border business. But Mr Sporborg said the banks were co-operating in funds management.

Hambros also remains unconcerned, he said, by the 14 per cent stake acquired by Baltica, the Danish insurance group which is 23 per cent owned by Banque Indosuez.

Hambros' other major share-holders are GRE (9.5 per cent), Norwich Union (4.85 per cent) and Mitsui Taiyo Kobe Bank (4.77 per cent).

The result represented a 25 per cent rise in basic earnings per share to 31.3p, though tak-ing into account the potential dilution of the convertible pref-erence shares issued for the HIT acquisition, the rise was 15 per cent to 28.9p.

The dividend is increased by 15 per cent to a total of 11.5p via a recommended final of

Leave it to Mr Shaw to spice

up the annual results with tan-talising hints of big oil reserves about to be found. A charge will be detonated today underneath the Gulf of Thai-

land to perforate and test the latest exploration well, where hydrocarbons have been con-firmed. It just may be the big one. Still, some of the old

magic has been lost, and the shares advanced by only 2p to

# Premier Cons hints at large discovery

PREMIER Consolidated ity of a larger oil discovery at a Oilfields, the UK independent oil company, yesterday reported a 3.7 per cent rise, from 11.67m to £12.11m, in pet earnings for the year to March

This was struck after an extraordinary profit of £4.84m (£5.13m) derived from the sale of shares in Ultramar.

Mr Roland Shaw, chairman, described the result as satisfactory and said it would enable Premier to pursue an ambi-tious 38-well exploration programme this year. Current profits are of only secondary interest to the company, which aims primarily to increase asset value.

Mr Shaw said testing would begin today on an exploration well drilled in the Gulf of Thai-land close to three other wells Premier has drilling in the area. Two of the earlier wells were oil discoveries, and the

**Stirling** 

unchanged

at £2.74m

STIRLING Group maintained its profits in the year to March 31 1990 on turnover ahead 6.5

Mr Peter Sheldon, chairman, said it was a measure of the group's inherent strength and, in particular its relationship with Marks and Spencer, the

principal customer, that it was able to maintain a level of

overall profitability that com-pared favourably with others

1.5p (1.35p). Current orders suggested a

changed pattern of trade between the two haives. Indica-

tions were that the first six months' profit would show a decline; but benefits of improved margin control and higher order levels should lead to a better performance in the

to a better performance in the second half.

Marina Developments, the subject of two takeover

approaches during the past 15

months, yesterday reported a

29 per cent increase in pre-tax profits to £5.88m for the year to

Marina Devs 29% ahead to £5.9m

1990

Hy Conference

50.442

PARE OF HISHIN

deeper, thicker reservoir which it believes may run under the area. However, it emphasised that extensive seismic and dril-ling work would be required in the years ahead to evaluate the full potential of the concession. About half of the company's concession must be relin-quished next year. However Premier has identified three separate sedimentary basins, and will be able to return sufficient acreage without losing potential oil finds.

Premier's abare are rose stonery followers to make a discovery in Phallandicabout 18: Remark the programme shares are now well below ear-

Production from the UK year due to start-up costs.

onshore field at Wytch Farm is
expected to increase at the end from £21.41m previously. Earnof this month. While this will increase turnover for the company, it is not expected to boost profits substantially this



ings per share rose to 1.709 (1.54p). No dividend is being awarded, although a one-for-10 scrip issue is proposed.

case. With Burmah Oil's near-30 per cent stake in Pre-

shares anvanced by only 2p to 94p. The market is growing impatient for solid evidence that Premier has made a compute that discovery and that it is not hist being left on in a long and expensive search in a geoshare price may have plenty to shed if that turns out to be the home, it is hard to the see the shares moving much higher in the near term unless Thailand comes in very big.

# The company's shares are currently traded on the USM but Mr David Heimann, chairman, said Marina intended to apply for a full listing shortly. Turnover benefited from sales of residential units in any contraction with best-base the

ably improved.

**NEWS DIGEST** 

sales of residential units in conjunction with berths at the marina villages, a new concept for the group, and surged from £8.48m to £20.34m.

At the operating level profits were up from £2.9m to £5.52m.

There was a swing from interest income of £644,000 to charges of £74,000 and a fall in exceptional income from £1.03m to £388,000.

Tax accounted for £2.12m (£1.61m) leaving earnings 3.1p

(21.61m) leaving earnings 3.1p higher at 22.8p per 50p share. A recommended final dividend of 7p makes a 12p (7.5p) total. At the year-end net asset value per ordinary share stood at 749p (630p).

pared favourably with others in the sector.

It was a difficult year for ladies fashion; there were also considerable changes in the group's management, he said.

Turnover moved up to £42.82m (£40.21m) while the pre-tax profit was virtually unchanged at £2.74m. Earnings were 5.09p (4.7p) and the interim dividend is lifted to 1.5p (1.35p).

## Improved prospects for Sunleigh

Mr Tony Merryweather, chairman of Sunleigh, a maker and distributor of electronic and electrical equipment, told the annual meeting that the market for industrial products during the first few months of 1990 had been difficult due to prevailing economic conditions.

That, he said, had particularly affected capital goods sales from the advanced products division. He also pointed out that there had been delays in component and product supplies mainly because of a sixweek strike at an overseas sup-

week strike at an overseas sup-

Shareholders were told that those factors confirmed the statement made in the annual report that profits for the year

were likely to be biased towards the second half. Mr Merryweather added that with the leisure products divi-sion beginning this month with an exceptional order book of £1.75m and the imminent launch of a new pull trolley, group prospects for the next few months had been consider-

**Bradford Property** declines by £3m Taxable profits of the Bradford

Property Trust fell from £21.4m to £18.32m for the year to April The surplus from property rentals rose by £870,000 to £7.34m but profits from sales of

dealing properties declined by £3.37m to £10.12m.

Tax took £1m less at £5.23m and earnings emerged at 8.34p A final dividend of 1.7p is proposed for a 3.2p (2.8p) total.

## 46% midway profit growth for Sheriff

With its core hire business progressing well and an improving contribution from less mature depots, Sheriff Holdings lifted pre-tax profits

by 46 per cent in the half year ended March 31 1990.
On turnover up-16.5 per cent to £5.07m (£4.34m), this USM-quoted hirer of plant, tools and waste disposal services expanded pre-tax profit to \$550.000 (\$784.000) 2560,000 (£384,000). Earnings were 6.2p (5.5p) and the interim dividend is lifted to

Directors said continuing strong cash flow allowed capi-tal expenditure to be main-

tained while holding down gearing to less than 40 per cent.

## Structural activities lift Booth Industries

A significant contribution from structural steelwork activities helped profits and earnings increase substantially at Booth Industries in the year to March

Taxable profits of the steel engineering and design group rose 57 per cent from £516,448 to £967,507 on turnover of

£28.3im (£27.84m).

After tax of £374,342 (£222,766) earnings per share advanced 48 per cent to 14.82p

(9.99p).

The final dividend is increased to 2.5p, for a total of 3.2p (2.2p) for the year.

Directors said that in spite of some slowing in the commercial market a satisfactory start had been made to the current year. The comment was review. year. The company was reviewing how best to take advantage of the continental market.

## **Mountview Estates** falls to £8.95m

Mountview Estates proposes to maintain its final dividend at 7.5p for the year to March 31 in spite of a 24 per cent fall, from £11.71m to £8.95m, in taxable

Turnover of this property dealer was down 12 per cent from £15.49m to £13.68m. Operating profit of £9.36m compared with £11.77m, and interest charges jumped to

£410.921 (£53,369).

After tax of £3.14m (£4.09m), earnings per share came through at 126.7p (161.9p).

# Offshore losses check Davy

form restricted the profit improvement at Davy Corpora-tion, the engineering and con-struction group, to less than 5

per cent. The share price fell 14p to

While turnover grew by 32 per cent to £1.28bn (£968.19m), pre-tax profit edged up from £28.84m to £30.14m in the year to March 81. But after an increased tax charge of £10.55m (£8.35m), earnings per share fell to 19.8p (21.2p).

Losses in the offshore divi-sion totalled £25.57m, com-

pared with the previous year's deficit of £2.8m. The division also made a loss in 1987-88.

The main factor this time was provisions against losses on a £120m contract to provide a floating production pistform for the Emerald oil field in the North Sea. The group said changes in the scope and tim-ing of work had driven up costs and caused delays. Smaller contracts had also

PROBLEMS WITH a contract incurred losses and there were to provide a North Sea oil plat-

The metals division made The metals division made the biggest contribution to pre-tax profit, £21.72m com-pared with £19.4m. Mr Roger Kingdon, chief executive, said particularly good progress had been made in North America

and the Far East.

This year, the metals business would be enhanced by the recent acquisition of Clecim from Spie-Batignolles, the French construction group stake in Davy as part of the deal. Mr Kingdon said Clecim had warranted pre-tax profits of about £7m for the current

The process division bounced back to a profit of £16.77m (£280,000) after putting behind it loss-making contracts for flue-gas desulphurisation

many. The West German business had done well from projects dealing with synthetic fibres, polymers and films. A good contribution had also come from energy and environmental projects.

In construction and prop erty, where profit advanced by 50 per cent to £12.27m, gains on property and from road building and industrial and com-mercial work made up for a break-even performance in

Mr Kingdon said the group had "vigorously damped down" its residential activities.

Mechanical handling and services contributed £1.65m and £3.68m respectively. This year, the latter would benefit from the acquisition of Sight and Sound Education, a provider of clerical and office training. training.

The group received £8.85m (£5.68m) in interest. The £95.9m cash held at the end of the year mostly comprised advance payments from customers. A recommended final divi-dend of 6.25p makes a total of

## John Tams disappointed with £2.52m

John Tams Group, the USM-quoted maker of mugs and tableware in earthenware and fine bone china, managed a 6.5 per cent increase in pretax profit for the year ended

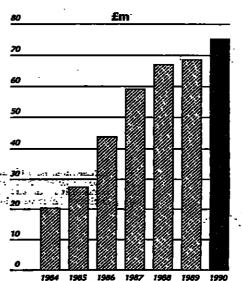
March 31 1990. Mr Gerald Tams, the chairman, said the result was "somewhat disappointing", but added that trading had shown some improvement

since the final quarter. Turnover expanded 46 per cent to £18.01m and operating profit 25 per cent to £3.04m. But higher interest charges of £524,000 (£69,000) limited pretax profits to £2.52m (£2.37m). Final dividend is a proposed 2.4p for a total of 3.78p (3.6p). On prospects, Mr Tams said

the improved trading, backed up by completion of the large capital investment programme, left the group "in the very best possible position to move ahead strongly and to benefit from any increase in business activity in the com-ing months".

# 7th year of increased profits

HAMBROS PLC **PROFITS BEFORE TAX** 



BANKING

**PROFITS BEFORE TAX** 

AND CENTRAL FINANCE

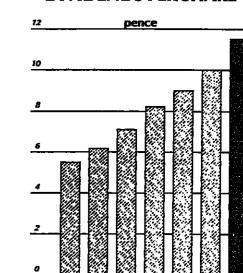
AND OVERHEADS

**Total dividend up by 15%** Diluted EPS up by 15%

# Strong performance by Group companies and investments

The Group's performance has continued to be encouraging. The four-fold increase in our Banking profits since 1985 rests on a liquid balance sheet, strong ratios and a wide spread of activities. Hambro Countrywide is ready to take advantage of any upturn in the housing market, and our investment portfolio is well diversified and conservatively valued. 99

# **DIVIDENDS PER SHARE**



# **RESULTS FOR THE YEARS ENDED 31 MARCH**

	1990	1989	% increase
Profits before tax, minorities and extraordinary items	£75.3m	£68.7m	10%
Profits after tax and minorities	£59.2m	£40.3m	47%
Earnings per share '— basic — fully diluted	31.3p 28.9p	25.1p 25.1p	25% 15%
Total dividends per 20p ordinary share	11.5p	10.0p	15%

e extracts are taken from the statement by Charles Hambro, the Chairman, included in the annual report for the year ended 31 March 1990 which will be despatched to shareholders on 10 July 1990. if you would like a copy of this report please write to: The Company Secretary, Hambros PLC, 41 Tower Hill, London EC3N 4HA.

Member of IMRO and TSA.



# Find the perfect luxury holiday in the WEEKEND FT.

HOLIDAYS AND TRAVEL appears every Saturday. Order your copy today.

# Growth in energy demand Australia is slowest since 1983

THE GROWTH in world energy demand last year was the slowest since 1983, according to the annual BP Statistical Review of World Energy, released yesterday. Demand rose by just 2 per cent to 8bn tonnes of oil equivalent.

Mr Steve Ahearne, BP's chief financial officer, attributed the slow growth to higher oil prices, sluggish economic growth and the exceptionally warm winter. "If the pattern were to continue it would clearly have major strategic implications for the major players in energy," he said. Asia accounted for the big-

gest source of increased demand, rising by 6.5 per cent, while demand fell in Europe and grew by only 1.6 per cent US. The US is the world's largest energy consumer, accounting for 24.6 per cent of the world total. Per capita US energy consumption in the US is more than 21/2 times Western European levels.

The increase in world oil demand, which resumed in 1986, continued, although at a slower rate of just 1.5 per cent. None the less, world consump-tion has risen to the 1979 peak of nearly 65m barrels a day.

The fastest growing energy source was natural gas, where consumption rose by 4 per cent and now accounts for more than a fifth of world energy.

AS SILVER prices languished at the lowest level for 13 years

yesterday, the Washington-based Silver Institute said poor

prices cut mine production of

the precious metal from 334.5m

trov ounces in 1988 to 333.1m

Many companies have can-celled or postponed expansion plans so that projected silver

production in the next few years is well below that fore-

cast a year ago. Mr John Lutley, executive

director of the institute, said:

For example, more than 34m

ounces of future production has been cut from the three years 1990-92."

Trade Association said pro-

ducer countries seeking to

export processed cocoa faced.

particularly similar products

from industrialised nations,

Reuter reports from Accra.
In a paper delivered in

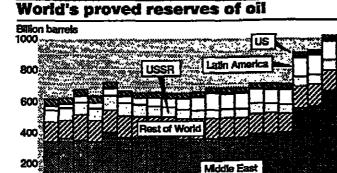
Ghana at a meeting of the

Silver's price dropped below

Obstacles face cocoa producers

THE WEST German Cocoa International Cocoa Organisa-

ounces last year.



Nuclear power production also increased by 3.6 per cent, although this was well below the average increase for the

1980s of 11 per cent a year. Coal demand increased by only 1.5 per cent, with an 8 per cent increase in China offset by a decline of more than 4 per cent in the Soviet Union and Eastern Europe.

Mr Ahearne predicted con-tinuing volatility in oil markets, although BP expected oil markets to tighten in the latter half of the decade. Average oil prices last year were \$18, \$3 higher than the

the psychologically-important \$5 an ounce level on June 14

and last night closed at \$4.82

In its annual review of silver

production trends the institute said Pern remained the biggest

producer last year with an out-

put of 59.2m ounces.

The rest of the silver "top

ten" were: Mexico, 58.8m ounces, US, 54m; Soviet Union, 50.8m; Canada, 40.6m; Australia, 35.1m; Poland, 34.2m; Chile,

16.3m; North Korea, 10m; and

Silver 1989-93, US\$28 from the Silver Institute, 1026 16th Street,

NW, Suite 101, Washington, DC

tion's advisory group on the world cocoa economy, it said it was a mistake to assume local

processing would automati-

cally boost foreign currency

income. Efficient production was capital intensive and could

be a drain on foreign currency.

World Mine Production of

Bolivia, 9.7m ounces.

production prospects

down 2c.

By Kenneth Gooding, Mining Correspondent

year before, in spite of a 2.1m b/d increase in Opec produc-tion to 23.2m b/d. Higher Opec

set by a 6.3 per cent decline in the US to 9.2m b/d, a 2.6 per cent decline in the Soviet Union to 12.5m b/d, and a 19.7 per cent fall in the UK to 1.9m b/d. Overall, world oil produc-

tion rose 1.7 per cent to 63.6m

The world's proven oil reserves also increased to a record of 1,012bn barrels. Most of the increase came from Saudi Arabia, which with 255bn barrels now has over 25 per cent of the world's oil reserves. These reserves would last for 44.4 years at current rates of consumption.

BP Statistical Review of World Energy, BP, Britannic House, Moor Lane, London ECZY 9BU. Single copies free.

## Low silver prices cut Polish trader offers coking coal to India

By Christopher Bobinski in

ELEKTRIM, a Polish foreign trader traditionally specialising in energy equipment, has offered to deliver 400,000 tonnes of coking coal to the Visagh steel works in the Indian state of Utar Pradesh. The offer marks the end of the monopoly on foreign trade in Polish coal held for nearly 40 years by Weglokoks, another foreign trading com-

Weglokoks has warned that such competition between Polsh companies for foreign markets could lead to a fall in Polish coal prices. Elektrim, meanwhile has decied charges that its prices are below those quoted by Weglokoks. At the same time it is consid-

ering offering annual supplies of more than 2m tonnes of cokng coal to the Steel Authority of India. Supplies of the coal would be linked to contracts for an expansion of power plants at three of the authority's steel mills. Poland expects to sell 30m

tonnes of coal abroad this year compared to 29m tonnes last

# imposes wool levy of 18%

THE WOOL Council of Australia has agreed to a levy of 18 per cent of sales proceeds for the 1990/91 season to June 30, up from 8 per cent for the current season, Reuter reports from Sydney.

Mr James Hoadley, executive director, said the levy would comprise 14.15 percentage points for the market support fund, 3.50 per cent for promo-tion and 0.35 per cent for research and development.

"The council was forced to reconsider the wool levy as a consequence of the Government's decision to reduce the floor price to 700 cents a kg clean," he said. The wool tax levy requires approval from the Minister for Primary Indus-

The Australian Government has legislated for a wool tax ceiling of 20 per cent.
The council, the national woolgrowers' body, said it estimated average real returns to woolgrowers would fall 34 per

"Woolgrowers should be aware that the council has sought to minimise the levy, to reduce the effect on their incomes. However, industry borrowings are expected to exceed A\$2bn, and the market support fund must be able to service the interest repayments on this debt," it said. The Wool Council said all

growers would be hit hard by the market downturn as the wool levy was collected on all

# |Timber forests put on the block

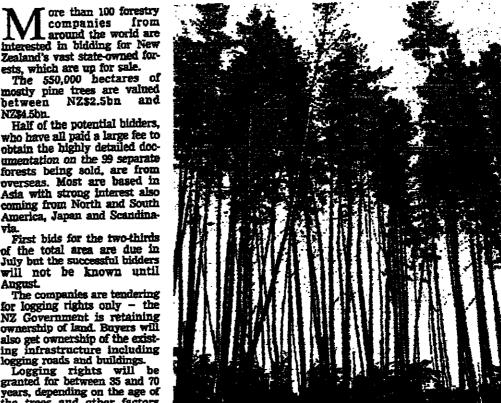
Dai Hayward reports on the sale of logging rights in New Zealand

ore than 100 forestry companies from around the world are interested in bidding for New Zealand's vast state-owned forests, which are up for sale.
The 550,000 hectares of mostly pine trees are valued between NZ\$2.5bn and NZ34.5bn. Half of the potential hidders, who have all paid a large fee to obtain the highly detailed doc-umentation on the 99 separate forests being sold, are from overseas. Most are based in

Asia with strong interest also coming from North and South America, Japan and Scandina-First bids for the two-thirds of the total area are due in

The companies are tendering for logging rights only - the NZ Government is retaining ownership of land. Buyers will also get ownership of the exist-ing infrastructure including logging roads and buildings.
Logging rights will be granted for between 35 and 70 years, depending on the age of the trees and other factors affecting individual forests, but provided the new owners replant the trees or turn the deared land into suitable grazing grassland the leases are automatically extended for 12 months every year.

The state-owned forests occupy about balf of New Zea-land's 1.2m hectares of planted forests. They cover vast areas and some stretch unbroken for many miles in every direction. They include the huge Kainga-roa Forest, the largest man-made forest in the world.



New Zealand forest: 550,000 hectares open to tender government department, the state forests were transferred to a corporation, run as a public company, three years ago as part of the Labour Government's privatisation pro-gramme. The corporation has been highly successful. Last financial year it made an operating profit of NZ\$95m and NZ\$80.7m in only the first six months of the 1989-90 year. It has harvested 13m cubic

metres of wood in the last two and a half years. It replanted 29,000 hectares of logged forest land and added another 18,500 hectares of new plantings. This past year more than 5m cubic metres of wood have been milled. Most of the corpo-

ration's trees have been exported in the form of logs. Last year 480,000 cubic metres of logs were shipped - com-pared to 260,000 cubic metres

the previous year. New Zee land log exports last year, from both state and privately connect forests, was 1.2m cable metres. in the past two years Kores and the People's Republic of China have become major cus tomers for New Zealand pape

logs. Japan is another big buyer, it also imports a hope tonnage et wood chips. New Zealand's forests are growing faster than the amount being harvested

Total forest and timber exports are now worth NZ\$150 a year. However both wood growth and production will expand rapidly in the next five years with production doubling by the end of the century. By the year 2000 a renewable harvest of up to 30m cubic

metres of wood is predicted.

Most of New Zealand's
man-made forests are planted
with radiata pines. Some comtries where this tree is relatively unknown are yet to be convinced of its suitability as a per but it is rapidly gaining general purpose building timgreater acceptance. As this grows so will the value of New Zealand's forestry experts.

The companies limits up to obtain a share of NZ's large state forest resources are aware that their investment could quickly increase in value. Decades of planned renewable forestry manage ment has given New Zealand one of the world's most viable and potentially lucrative forest

The management teams which have planned, harvested and marketed the state forests will be disbanded when the sale is completed. Many are expected to be "bought" with

# Originally managed by a Rehabilitation of environment wins Global 500 award

By Kenneth Gooding, Mining Correspondent

THE COST of protecting the environment while mining is taking place need not be prohibitive, says Mr Roger Vines, executive director, Western Australia operations of Alcoa of Australia.

His company spends US\$9.24m a year on rehabilitation, planning operations and research. It has on its full-time staff an environmental team made up of 25 professionals, including foresters, botanists, and zoologists. Rehabilitation costs are A\$14,500 a hectare or about US\$4,520 an acre. Mr Vines says this has a neg-

ligible impact on the cost of producing bauxite and alumina - Alcoa of Australia produces about 5.5m tonnes a year of alumina, or 18 per cent of Western supply, and its turn-over is more than US\$1bm Mr Vines does not see the environmental spending as a mining cost. "It is an investment to ensure that we will be able to

The office of the Suriname Aluminium Company, in the hauxite mining town of Moengo has been damaged by explosives set by antigovernment rebels, according to government officials in Paramaribo, the capital, Canute James reports from

Representatives of the company, a subsidiary of the Aluminum Company of America, said they had not

Alcoa of Australia is the first mining company to win a Global 500 award from the United Nations Environmental Programme, which set out in 1986 to develop over five years a list of 500 individuals and organisations deserving international recognition for environmental accomplishment. In its citation the organisa-

tion said: "For 20 years, Alcoa of Australia has carried out a site reforestation programme

1459-71 1451-2

yet been able to assess the damage and possible impact on the bauxite mining and refining and aluminium smelting industries.

The company recently suspended foreign currency payments to the Suriname Government, saying it would resume the payments when the Suriname army cleared roadblocks and when obstacles were removed from a river used to ferry ore

in Western Australia that covers four bauxite mining areas in a unique forest, and three associated bauxite refineries. This successful programme integrates overall environmental protection with industrial development."

Alcoa of Australia, 51 per cent owned by Alcoa, the biggest aluminium producer in the US, and 49 per cent by Western Mining, one of Austra-lia's biggest corporations,

43,579 lots

79,828 lots

9,644 lots

8,800 lots

18,567 lots

Kerb close Open Int

1447-8

1606-10

clears nearly 1,000 acres of for-est each year for bauxite mining. Its reserves are in the Darling Range, near Perth, where the forest contains Jarrah trees which are found nowhere else on earth.

The company has gradually improved techniques over the years. For example, topsoil and the waste material, known in mining jargon as overburden, used to be removed together, stockpiled and returned months or years later. Now topsoil is stripped separately and returned fresh to rehabilitation sites to ensure the vis-bility of seeds and nutrient

Seedlings formerly were planted "plantation style" in straight rows, frequently as monocultures. Now direct broadcast seeding results in a natural mix and distribution of

Alcoa's example has influenced Western Australian government thinking and the government

CRUDE Of (Light) 42,000 US galls S/barrol

Previous High/Low

ernment's Conservation and Land Management Department now imposes very sophisticated requirements on new mining ventures.

The company is also spending A31m a year for the next five years to help restore degraded sites in other parts of Australia as well as providing financial support for the Greening Australia organization, supplying trees and some expertise. Alcoa recently announced it was to expand its most modern alumina refinery at Wagerup at the cost of more then A\$30m to boost the com-pany's total capacity to 5m tonnes a year by 1983.

So far the company has made an impact on only one half of 1 per cent of the forest. But the expansion me will be moving a bit faster through the forest," says Mr Vines. "And people must be satisfied that we know what

SOYABEANS 5,000 but min; contribile builted

Chicago

# MARKET REPORT

COPPER prices fell sharply on the LME yesterday afternoon, following renewed weakness on Comex, where talk was circulating that LME warehouse stocks could rise by as much as 10,000 tonnes tomorrow. Both zinc and aluminium prices were also in retreat on the LME. Traders said liquidation orders and selling ahead of a possible break below \$1,600 a tonne for three-month zinc weighed on prices. Aluminium's easier tone contributed to zinc's weakness reflecting the possibility of substitution that would arise if zinc remained at a premium over a prolonged period. Traders said

# **London Markets**

SPOT MARKETS		
Crude oil (per barrel FOS)		+ or -
Dubai	\$13,55-3,65w	-0.05
Brent Blend	\$15,70-5,75w	
W.T.L (1 pm est)	\$16.88-6.90w	-0.19
Oil products		
(NWE prompt delivery per t	onne CIF)	+ or -
Premium Gasoline		<del>-1</del> .
Gas Oil	\$144-145	+ 1½
Heavy Fuel Oil	\$61-63	
Naphtha	\$136-136	+2
Petroleum Argus Estimates	<u> </u>	
Cther		+ or -
Gold (per troy oz)	\$348.00	+0.25
Silver (per tray o2)		-2
Platinum (per troy oz)		-6.55 -1.90
Palladium (per troy oz)		
Aluminium (free merket)		-15
Copper (US Producer)	118 <sup>1</sup> 2c	
Lead (US Producer)	45c 395c	
Nickel (free market) Tin (Kusia Lympur market)		+0.03
Tin (New York)	289c	+1
Zinc (US Prime Western)	87 l <sub>2</sub> c	• •
Cattle (live weight)†		-2.04"
Sheep (dead weight)†		-16.8° -1.38
Piga (live welght)†	105.92p	-1,30
London daily sugar (raw)		+5.6
London daily sugar (white)	2383¢	-1
Tate and Lyle export price	5296	+2
Barley (English feed)	£114.5w	
Maize (US No. 3 yellow)	£145	
Wheat (US Dark Northern)	£134.5	
Rubber (Jul)♥	54.750	+0.75
Rubber (Aug)♥		+0.75
Rubber (KL RSS No 1 Jul)		+3
Coconut oil (Philippines)§	\$325z \$373 &=	<b>2</b>
Palm Oil (Malayelan)§		+25
Copra (Philippines)§	\$217.8q £157 ·	
Soyabeans (US)	*******	-1 
Cotton "A" Index	89.80c · 485p	-0.15
Wooltops (64s Super)	_ <del></del>	
£ a tonne unless otherwise	stated, p-pen	ce/kg.
c-cents/lb. r-ringgrt/kg. q-Jr	al. t-Jul/Aug.	u-Oct/

three-month aluminium attracted persistent support at \$1,560 a tonne. In contrast nickel prices advanced strongly following confirmation that Eramet-SLN's third-quarter sales will be affected by a strike at its mine and smelter in New Caledonia, London robusta coffee prices closed sharply down as roasters continued to back away. The strength of sterling against the dollar contributed to the fall. In New York orange juice futures were again down at midday in frenzied trading. "It's just been real crazy," said one rader of the hectic activity over the past four sessions.

G	nuthnea	HOIN NE		
FUGA	R – Lond	en FOX	(\$ per tons	10)
Rasy	Class	Previous	High/Low	_
Aug	286.00	267.40	288.20 265.00	_
Oct	281.40	282.40	284.00 <b>28</b> 0.00	
Dec	262.00	283.00	220.00	
Mar	270.00	269.60 269.00	272.20 268.40	
May Aug	270.00 270.00	268.00	259.00 268.60 270.00 266.00	
Oct	287.00	266.00	288.00	
Winds	Close	Previous	High/Low	_
	380.0	380.0	381.0 379.0	_
Aug	360.0	369.5	385.0 358.7	
Dec:	353.0	352.5	354.0 362.0	
Mar	348.5	349.0	348.8 347.5	
Paris- 1	1144 (1576 White (FFr	9	is of 50 termes. : Aug 2140, Oct 20 185	143
Parts- \ Dec 20	1144 (1576 White (FFr	) per tonne) 960, May 1	: Aug 2140, Oct 20 185 \$/barr	_
Parts- \ Dec 20	1144 (1576 White (FFr 00, Mar 1	per tonne) 960, May 19 PE	: Aug 2140, Oct 20 185 \$/bar	_
Parts- \ Dec 20 CRUDE	144 (1576 White (FFr 00, Mar 1 1 Oll. — II Later 15.50	per tonne) 960, May 16 PE st. Previo	: Aug 2140, Oct 20 985 \$/barr us High/Low 15.75 15.44	_
Parts- 1 Dec 20 CRUDS Aug Sep	144 (1576 White (FFr 00, Mar 1 1 Ott. — II Late 15.50 16.21	per tonne) 960, May 19 PE st. Previo 15.63 5 16.29	\$/barn 15.75 15.44 16.30 15.94	_
Paris- 1 Dec 20 CRUDE Aug Sep Oct	1144 (1576 White (FF7 00, Mar 1 1 OSL — II Later 16.53 16.52	per tonne) 980, May 19 PE st Previo 15.83 5 16.20 2 18.55	2140, Oct 20 95 \$/barr us High/Low 15.75 15.44 16.30 15.94 16.62	_
Paris- 1 Dec 20 GRUDS Aug Sep Oct Nov	1144 (1576 White (FF7 00, Mar 1 1 OGL — II Later 15.57 16.22 16.52	per tonne) 960, May 11 PE st. Previo 9 15.63 16.20 2 16.55 1 16.80	\$/barrus High/Low 15.75 15.44 16.30 15.94 16.71	_
Paris- 1 Dec 20 CRUDE Aug Sep Oct	1144 (1576 White (FFr 00, Mar II Late 15.97 16.22 16.71 18.90	) per tonne) 960, May 19 PE st Previo 9 15.63 16.29 1 16.50	2140, Oct 20 95 \$/barr us High/Low 15.75 15.44 16.30 15.94 16.62	_
Aug Sep Oct Nov Dec Ind	1144 (1576 White (FFr 00, Mar II Late 15.97 16.22 16.71 18.90	per tonne) 960, May 19 PE st Previo 9 15.63 5 16.20 16.50 16.50	\$/barrus High/Low 15.75 15.44 16.30 15.94 16.71	_
Aug Sep Oct Nov Dec IPE Ind	1144 (1576 White (FFr 00, Mar 1 1 OSL — II 16.92 16.92 16.92 18.71 18.90 18.90 18.90	per tonne) 960, May 19 PE st Previo 9 15.63 5 16.20 16.50 16.50	\$/barrus High/Low 15.75 15.44 16.30 15.94 16.71	
Aug Sep Oct Nov Dec IPE Ind	1144 (1576 White (FF7 00, Mar 1 1 OEL — II Later 15.53 16.22 16.71 16.90 16.90 16.90 16.90 16.90	per tonne) 960, May 19 PE st Previo 9 15.63 5 16.20 16.50 16.50	2140, Oct 20 \$/ber us High/Low 15.75 15.44 16.30 15.94 16.52 18.71 16.90	
Aug Sep Oct Nov Dec IPE Ind	1144 (1576 White (FFF 00, Mar II 16.03 16.23 16.23 16.23 16.25 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.71 16.90 16.	per tonne)	: Aug 2140, Oct 20 \$/beri us High/Low 15,75 15,44 16,30 15,94 16,52 18,71 16,90 \$/beri High/Low	
Aug Sep Oct Nov Dec IPE Ind	1144 (1576 White (FF7 00, Mar 1 E OSL — II Later 15.57 16.22 16.71 16.90 ex 15.73 er: 12670	per tonne) per tonne) per tonne) per tonne) per tonne) per tonne) per tonne) 15.83 16.20 16.80 16.80 16.80 16.80 16.80 16.80 16.80 16.80	S/barn \$/barn \$/barn \$/barn \$/barn \$15.75 15.44 16.30 15.94 16.52 18.71 16.90	
Paris 1 Dec 20 GRUDE Sep Oct Nov Dec IPE Ind Turnow	1144 (1576) White (FFrom Marketter) Lates 15.57 16.22 16.52 16.52 16.53 16.22 16.57 16.29 16.29	per tonne) 900, May 19 900, May 19 91 15.63 9 15.63 9 15.63 16.20 1 16.80 1 16.80 1 16.90 1 142.00 143.73 145.73	Aug 2140, Oct 20 \$/barr us High/Low 15.75 15.44 16.30 15.94 16.82 16.71 16.90 \$/ton High/Low 143.00 140.60	
Paris 1 Dec 20 GRUDE Aug Sep Oct Nov Dec IPE Ind Turnow GAS O	1144 (1576) White (FFro), Mar II  12 Oil. — II  Later 15.52 16.22 16.71 16.91  Later 14.20 14.25 142.00 143.25 140.25	per tonne)	Aug 2140, Oct 20 \$/barr us High/Low 15.75 15.44 16.30 15.94 16.82 18.71 18.90 High/Low 143.00 140.60 144.25 141.75 144.25 150.00 147.75	
Parisi- N Dec 20 CRUDE Aug Sep Oct Nov Dec IPE Ind Turnow GAS O	1144 (1576) White (FFr00), Mar II  16.53 16.27 16.27 16.97 16.97 16.97 16.91 142.05 142.05 142.05 142.05 142.25	per tonne)	### Aug 2140, Oct 20 #### S/barn us High/Low 15.75 15.44 16.30 15.94 16.90  ###################################	
Paris 1 Dec 20 GRUDE Aug Sep Oct Nov Dec IPE Ind Turnow GAS O	1144 (1576) White (FFro), Mar II  12 Oil. — II  Later 15.52 16.22 16.71 16.91  Later 14.20 14.25 142.00 143.25 140.25	per tonne)	Aug 2140, Oct 20 \$/barr us High/Low 15.75 15.44 16.30 15.94 16.82 18.71 18.90 High/Low 143.00 140.60 144.25 141.75 144.25 150.00 147.75	

Jen	152.75	152.00	152.75 161.50	
Turnov	er 6139 (7	134)lots o	100 tonnes	
to re for W Brad The Over occa lored heav haif now happ great	floor price wive trading root at auch floor and of Australian half the of alons. With less to west for mood a for next sea rather that end to west to looses at to looses at	g confider tion and b ther mark Woel Con- Nering, as in the Austi uken in mo upplies at uson, the h m waiting to tig the raw id linancia	has done nothing too, if competition usiness on the second of the second	3
resu	to:me 21		on are greatest.	

	A - Lone			£/to
	Close	Previous	High/Low	
Jul	778	776	788 754	
Sep	802	797	812 778	
Dec	829	825	840 806	
Mar	852	847	862 830	
May	872	865	880 850	
ᄺ	891	884	896 670	
Sep	911	904	913 885	
ICCO price 1	indicator i lor Jun 19	3273) lots o prices (SDF 1003.45 (10 1003.68 (101	s per tonn 107.71) 10 d	e). D
iCCO price 1 age to	indicator i lor Jun 19	prices (SDF) 1003.45 (10 1003.68 (107)	s per tonn 107.71) 10 d	e). D laty a
iCCO price 1 age to	indicator ior Jun 19 r Jun 20 1	prices (SDF) 1003.45 (10 1003.68 (107)	a per tonn 107.71) 10 d 1.09)	e). D laty a
COFF	indicator ior Jun 19 r Jun 20 1 EE — Lee	prices (SDF 1003.45 (10 1003.68 (101 don FOX	is per tonn 107.71) 10 d 1.09)	e). D laty a
COPP	indicator for Jun 19 r Jun 20 1 EE - Loss Close 577 597	prices (SDR 1003.45 (10 1003.68 (101 dom FOX Previous 696 621	Is per tonn (07.71) 10 d (0.09) High/Low 590 575 611 595	e). D laty a
ICCO price 1 age to COFF Jul Sep Nov	indicator for Jun 19 r Jun 20 1  EE - Loss Close 577 597 618	prices (SDF 1003.45 (10 1003.68 (101 don FOX Previous 596 621 642	s per tonn 107.71) 10 d 9.69) High/Low 590 575 611 595 636 615	e). D laty a
ICCO price 1 age to COFFI Jul Sep Nov Jan	indicator for Jun 19 r Jun 20 1  EE - Lam  Close  577 597 618 638	prices (SDF 1003.45 (10 1003.68 (101 1003.68	s per tonn (07.71) 10 d 0.09) High/Low 590 575 611 595 636 615 660 635	e). D laty a
ICCO price 1 age to COFF Jul Sep Nov	indicator for Jun 19 r Jun 20 1  EE - Loss Close 577 597 618	prices (SDF 1003.45 (10 1003.68 (101 don FOX Previous 596 621 642	s per tonn 107.71) 10 d 9.69) High/Low 590 575 611 595 636 615	e). D

	64 (71.90)	being route	(ru.ezj. 19 c	My avoi
POTAT	068 - 1	FE.		£/tonn
	Close	Previous	High/Low	
Nov Apr	88.5 123.1	90.0 128.0	90.0 88. 125.5 121.	
Turnove	er 270 (19	5) lots of 4	D tonnes,	
SQYAE	FAN NE	AL, 1976		£/tonne
	Close	Previous	High/Low	
Oct	115.00	115.00	116.00	
Turnove	er 100 (35	) lots of 20	jonnes,	
FREIGH	עליטין זה	RES — SFI	sidvine	fex poin
	Close	Previous	High/Low	
Jun	1138	1128	1131 1125	
Jui Oct	1035 1100	995 1065	1035 993 1100 1045	
Jan	1118	1073	1110 1065	
BF1	1169	1181	,,,,,	
Титюче	r 583 (88	4)		
-	B - 872			2/tonne
			Ulabil and	ZJIDNIK
Wheat Jun	120.60	Previous 120.60	High/Low 121.00 120	75
Jun Sap	112.85	113.10	127.00 120 112.95 112	
Nov	116.95	117.15	117.15 116	.96
Jan	120.70	120.85	120.80 120	.70
Mar	124.15	124.30	124.25	
Barley	Close	Previous	High/Low	
Sep	111.30	111.50	111.30 111	
Nov Mar	115.45 121.60	115.70 121.75	115.50 115 121.60	,40
<u></u>			Sarley 52 (2	<u> </u>
		100 (220), 1		
PIGS -		,0-	ısh Settleme	-
	<del></del>	(G		and had

Previous High/Low

125.0 123.5 123.0

LONDON IN	ILLION MA	NET.		
Gold (fine cz	S price	2	equiv	elent
Close	347 4-348		02-202	
Opening	346 <sup>1</sup> 2-347 347.05		014-2	01 <b>-</b> 4
Morning fix Afternoon fix			01.445 01.510	
Day's high	345-348 <sup>1</sup> 2	_		
Day's low	346-346 <sup>1</sup> 2			
Colina	\$ price	2	equiv	elent
Mapleleaf	355-360		06-209	
Britannia US Engle	355-360 355-360		06-209	
os eagu Angel	355-380		06-209 06-209	
Kruperrand	347-350		01½ —	203-j2
New Sov. Old Sov.	82-84 82-84	- 1	71 <del>2-40</del> 71 <del>2-40</del>	
Noble Plat	478.25-485.	16 Z	78.15-2	82.55
Silver fiz	p/fine oz		S cts	gulv
Spot	280.15		82.25	<u> </u>
3 months	290.70	4	92.45	
6 months	301.20		02.70	
12 months	322.00	5	24.55	
TRADED OPT				
Abonielom (9		alle		Puts
Strike price 1	<del></del>	Sep	July	Sep
1450	101	122	1	10
1550 1650	21 1	55 18	20 90	41 102
Copper (Grad		ells		Puta
2350	164	134	1	34
2450	75	78	10	74
2560	19	38	54	134
Colfee	Sep	Nov	Sep	Nov
558	82 B2	85	3 <b>4</b> p	18
502	34	55 55	38	38
850	17	34	71	67
Cocoe	Sep	Dec	Şep	Dec
750	71		20	
800	42	86	41	59
360	24	65	73	86
Brest Crude	Aug	Sep	Aug	Sep
			27	
1500	26			
500 550 600	25 45 25	42 68	45 71	44 60

. 99.7% purity iS per ton

1500-1 1475-8

489-90 485-5.5

er, Grade A (E per to

1480-3 1445-8

485-6 491-2

1650-5 1612-5

Lead (£ per tonne

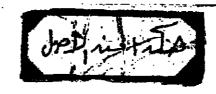
Nickel (\$ per tonne

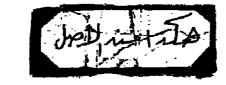
		ork	OZ.		-
	Close	Previous	High/Lo	<del></del>	•
ĵun	350.5	349.1	352_0	347.5	•
اول وویا	<i>353.9</i> 353.1	349.5 351.5	<i>Q</i> 355.0	. 349.5	
Oct	357.5	356.2	356.3	353.8	
Dec Feb	362.0 366.5	360.8 366.4	364.0 368.8	358.5 366.6	
Apr	370.9	369.6	371.0	371.0	
Ang DuA	375.4 379.8	374.A 378.B	0	8	
	Q. 0.2	0.00	•	•	
	•				
PLAT	<b>MICHAE</b> 50 1	roy oz; \$/tr	OY OZ.		-
	Close	Previous	High/La	*	
Jul Oct	482.1 488.0	476.2 481.7	484.5 490.5	473.0 478.8	
len	499.5	486.9 1	493.0	493.0	
pal ybs.	496.8 503.8	492.2 497.2	497.0 499.0	490.0 0	
_				•	
HLYE	# 5,000 ¥	dy az; cent	Agoh os		
·	Ciosa	Previous	High/Lov		
kus Luf	483.2	481.5 482.7	0 486.0	0 476.5	
	488.0	486.5	0	0	
lep	492.2 503.2	490.8 501.8	494.0 505.0	484.5	
iệc Bri	506.5	506.1	505.0	495.0 505.0	,
Car .	513.9	512.5	513.5	<b>807.5</b>	i
isy ui	521.2 528.6	519.8 827.2	321.5 524.0	517,0 524.0	
iep	556.5	535.1	0	0	
٠.					1
	GRADE C	OPPER 25,0	000 lbs; ce	Cite/line	_
_	Close	Previous	High/Lov		
UR	110.45	114.50	113.00	710.40	1
병	109.85 108.85	113.00 111.60	112.10 110.40	109.60 108.90	į
ep ep	107.40	109.90	109.20	107,10	١
Gt.	106,15	108,40	0	8	١
lov lec	104,90 103,65	107.90 105.50	0 105.00	0	ļ
	102.70	104.50	C .	103.50 0	I
en .		102.30	101.00	100.50	

Sep	17.59	17.58	17.72	17.35				
Oct	18,11	18.06	18 20	17.90	301	598.0	593/2	606-0
Nav	18.47	18.42	18.54	18.26	Aug	605/2	589/4	8144
Dec	18,77	18.70	18.80	18.55	Ses	603/2	603/2	619/0
Jan	16.91	18.87	18.96	18.74	Nav	617/4	611/6	C2: 4
Feb	19.07	19.00	19.10	18.85	Jeu	456.6	621/4	C38-0
Арг	<b>ts</b> , 19	19.18	18.19	19.15	ya.	639/U	\$33/0	548/4
UEAT		12 000 LIE	palls, cent	A 10° 11-	- May	649/4	644/4	658/9
					_ Jul	656/4	652.0	683.4
	Latest	Previou	s High/Lo	<del>) (</del>				
Jul	4775	4743	4795	4680	- <del></del>	DE AN AG	60,000 ibs:	
Nov	5240	5215	5240	5170	2014	DECEM UNI	94,000 408	CALIFER
Dec	5355	5329	6355	5275		Closs	Previous	High/
رعهال	5390	5377	5405	5330	Jul	24,02	24.26	24.56
					Aug	23.90	24.09	24.48
	20.00				Sep	23.75	23.92	24.35
000	DA 10 toni	105,\$/tonn	92		Oct	23.55	23.62	24,18
	Ciose	Previou	a High/Lo	TW	Dec	23.32	23.36	23.68
Jul	1231	1214		1197	• Jan	23.15	23 17	23 55
Sep	1263	1243	1242 1274	1224	Mar	22.95	SS 30	23.50
Dec	1297	1277	1304	1280	May	<b>22 80</b>	22.77	23 36
Mar	1326	1903	1332	1282	SOYA	REAN ME	AL TOC MINE	2500
May	1343	1320	1345	1343				
Jul	1362	1340	1330	0		Close	Previous	High/
Sep	1380	1357	1350	Ö	Jul	174.0	172.2	176 f
					Aug	175.5	1738	177.0
- COE	EE -47 2	7,500lbs; c		-	- Sep	177.6	175,4	1798
					Oct	179.2	177.7	181.3
	Close	Previou	a High√La	349	Dec	183.1	180 9	165.4
Jul	85.85	88.40	87.75	65.50	- Jan	183.7	162.2	186.2
Sep	89.10	90.86	90.25	85.2G	Mar	186.7	185.G	188.U
Dec	92.40	93,65	93.40	91.35	May	188.4	186.7	140.5
Mar	95.25	96.65	96.00	94.50	MALZ	E 5,000 bu	min; cents/	
May	97.05	99.00	98.50	98.50	-			
Jul	96.50	101.00	98.00	99.00		Close	Previous	High/L
Sep	100.50	102.50	102.75	101.50	ادال	285/2	286/4	289/6
	_				Sep	262/2	284/9	265/8
SUG	UR WORLD	*t1" 112	,000 lbs; cr	ente/ites	Dec	279:0	581/2	35-6
				<del></del>	, Mar	284/2	250/2	200 T
	Close	Previous	High/Lo	<u> </u>	May	287/0	283/8	2944
Jul	12.74	12.70	12.89	12.68	- Jul Sep	289/0 277/2	281/2	296/2
Oct	12.58	12.64	12.71	12.50	Dec	26770	276/8	560.0
Mar	12.15	12.14	12.20	12.08			26772	Z7QN)
May	12.11	12.12	12.24	12.08	WHEA	T 5,000 🗠	min, centel	8000-bud
Jul Oct	11.99	12.00	11.99	11.98		Close	Previous	Highr
ua	11.90	11.69	11,90	11.90				
	_	·			Jul Can	334/4 338/2	333/2	338/4
COTT	ON 50,000	; cents/lbs			Sep Dec	35C#6	336/6	34 144
	Ciose				Mar	357/0	349.4 357/0	35114
		Previous	High/Lo	<del></del>	May	3500		3546
لبرار	<i>80.4</i> 9	20,22	81.45	80.30	10	345/0	34340	346-0
Oct	77.65	76.80	77.85	76.75	1 200			
Dec	73.65	73.23	73.80	73.05	TAF		.000 tos; out	HS/RDs
Mar	74.45	74.01	74.55	73.90		Clase	Previous	Juday.
May	74.75	74.40	74.75	74.20	Jun	20.05		
غيال	75.00	74.20	74.55	74.00		78 65	77 12	77,36
_					Aug Oct	74 65	74.75	74.92
ORAN	GE TINCE	15 000 P-	: Canty/Ex		Dec	75.60° 75.47	75.95	76.20
					Feb	75.10	75.75	76.EZ
-	Close	Previous	High/Lo	<del>-</del>	Apr	76.12	75 30 76.30	76,47
Jul	174.00	166.70	176.70	166.50	Jun	73.12	73.40	76.40 73.50
Sep	168.70	172,10	179.90	184.10				
Nov	183.50	167.50	175.00	159.50	TIME N	NG2 30.0	00 th; combal	lba .
معك	162.50	164,70	172.65	158.50		Close	Previous	Highl
Mar	162.55	184.50	172.50	159.60	-			
May	181.55	163.50	164.00	158,00	722	60.50	60.47	<b>95 00</b>
أيال	161.65	<b>‡53.50</b>	.0	. 0	Jist	50.32	50 OS	<b>35,70</b>
					Aug	57.60	t7 27	55 00
MON		-			Oct.	51.60	51.52	52.20
					Dec Feb	50.35	50.57	51,36
REUT	CRS (Bas	e: Septem	ber 16 193	= 1001		49.00	49.00	19.30
1 —					Apr	46,40	46.55	40.80
l	Jun 20	Jun 19	Magn eð	0 yr <b>ag</b> 0 :	700	49.55	49.86	50,10
I	1844,3	1848.2	1824.6	2020.3	PORK	<b>BELLUES</b>	40.00G lbs; c	enta/in
<del>ا</del>								
DOM	-ONES (8	lese: Dec.	31 1874 <b>=</b>	100)		Close	Previous -	. High/L
ı —	Jun 19	Jun 18		1	h	63.40	63,10	
l <u>-</u>				0 YT 8Q4	Aug	61.67	AR 07	85 OF
Spot	181.11	131.25	135.67	183 86 -	Feb	58.36	59.25	62.79. 60.10
Future	80.1CT #	131.31	134,52	132.84	Mar	57 95	58.75	35 35°
					May	58,60	59.90	60.04
					May	58,60	59.90	60.05

21.75 22.75 22.90 23.30 23.90 22.95 173.0 124.7 176.4 176.2 181.7 189.6 186.0 187.5

. Hd





## **LONDON STOCK EXCHANGE**

# Heavy activity in some leading shares

EARLY OPTIMISM in the UK stock market, fuelled by further gains in sterling and in Government bonds, faded later yesterday as attention switched to a batch of less favourable corporate develop-ments. Across the full range of the market turnover was still restained, but overall volume was boosted by heavy activity in a handful of stocks in the

FT-SE 100 list. The session started brightly, with both Tokyo and New York relatively firm overnight and the pound and the UK and the pound and the UK gilt-edged market in good form. Confidence was checked for a time after morning strategy meetings at several leading

Account	Deptin	Pates
Tiret Deallogs: Jan 11	Jun 25	Jul 9 .
Option Declaration Jun 21	Jul 5	Jul 19
Jun 22	Jul 6	Jul 20
Account Day: Jul 2	Jul 15	Jul 30
Tienr time dealin 8.30 am tero busi	pe may lak sess days	place from

securities firms produced bear-ish views on a host of major stocks. The list of effective downgradings ranged from STC, as the board confirmed market concern over current profits levels, Midland Bank, Lloyds Bank and Wellcome, the pharmaceuticals group.

Defence stocks continued to

space facing adverse comment from brokerage analysts in the wake of the UK Government's cancellation of orders for the Tornado fighter aircraft.

There was little selling pressure, however, and further gains in the glit-edged sector took equities ahead for a while. But the market peaked early at 2,884.5, up 14.8 on its previous close, at which level share prices began to slip away. By the end of the session, the market was barely hanging on to plus territory. The final read-ing put the FT-SE Index at 2371.2, a net gain on the day of 1.5 points. Seaq volume increased to 436.8m shares

give ground, with British Aero- from the 408.3m of the previous line with expectations. The

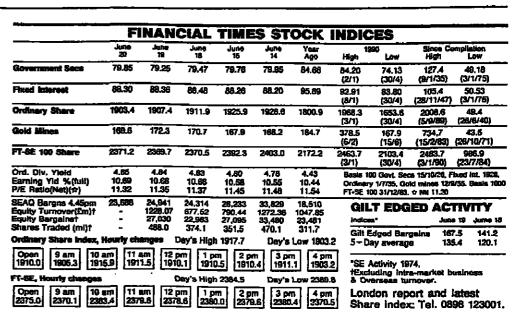
Market indices were hit by a sharp setback in ICI as the chemical group's US unit faced a pollution suit from the Federal Commerce Department. There was heavy trade (51m shares) in Globe Investment Trust as the British Coal Board Pension Funds met expecta-tions by raising the bid terms towards the market's share

price for Globe. Equity strategists com-mented that it was a day for "micro rather than macro economics". Equities appeared little affected by the UK money supply and bank lending figures for May, which were in

market is now bracing itself for tomorrow's announcement of the UK trade figures for

May.
The FT-SE Index Steering Committee decided yesterday on the deletion of Cookson Group from the Footsie Index, and its replacement by Harri-sons & Crosfield. The change

will apply from the first trad-ing day of July. The Reserve List for use in the next quarter, which may be re-ordered by the Commit-tee to meet any changed circumstances, consists of: Inchcape, Laporte, Severn Trent Water, Siebe, Tate & Lyle and Wiggins Teape.



TRADING VOLUME IN MAJOR STOCKS

Volume Clearing Day's 000's Price charge

# **Further** setback to GEC

THERE WAS no let-up in the pressure on GEC, which continued to react to the hig cuts in UK defence spending. At the close, GEC were 11 down at 197p - a two-day fall of 20. One sector analyst said the group was exposed not only to the defence cuts but also to the reduction in spending by Brit-ish Telecom, which is hitting the GEC subsidiary GPT. It was also partly responsible for the profits warning by STC. "These are two fast declining markets and there is also grow-ing nervousness about GEC's

forthcoming preliminary fig-ures expected on July 3," he Turnover in GEC was second only to that in Globe Investment Trust, and eventually totalled 27m shares. Much of the turnover followed on from a placing of 4.7m GEC shares, said to have been done well below the ruling market price and which undermined sentiment. Attempts to pass the stock on were said to have

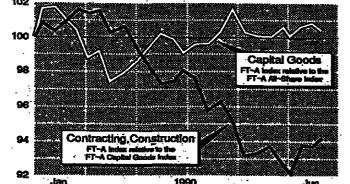
## been unsuccessful. STC warning

Recent market concern over a possible profits warning and subsequent earnings down-gradings in STC, the electronics group, proved only too accurate as the chairman, Mr Arthur Walsh, issued a statement saying external expecta-tions of profits for the first half of the year "are too optimis-

tial pressure on Tuesday, dropped to a low of 233p immediately following the statement, which triggered some hefty profits downgrades, but later steaded to close a net 19 off at 239p. Turnover in STC expanded rapidly to reach 10m. some five times the usual level

of business in the shares. Analysts had been forecast-ing interim pre-tax profits for the half-year to end-June of around £100m to £115m. These figures were quickly reduced yesterday. Kleinwort Benson now expects the group to achieve pre-tax profits of £76m for the half-year and have penyear, excluding property sales.
Adam Quinton at UBS Phillips & Drew, who told cli-ents to expect a profits warning as long ago as April, reduced his interim figure from £100m to £80m and that for the full year to £250m. James Capel expects £80m at the half-way stage, with £245m for the full year and £250m for the following year. BZW reduced its fore-

\$100 and



Contracting and construction, battered for the first half of the year, continued to recover, especially against the FT-A Capital goods index. Dealers said there was no evidence that the sector had bottomed, but County NatWest told clients to "buy the low-risk, trouble free, lowly borrowed companies now and pile into the sector in the third quarter at one of its relative lows."

cast for this year to £240m and although higher than the prefor next year to £250m. UBS's Mr Quinton maintained that "given the combination of a price-earnings ratio of 8.7 and a prospective yield of 6.5 per cent, and the possibility of deals concerning Northern Telecom (which has a 27 per cent stake in STC) and ICL. where a number of joint ven-tures are thought to be on the cards, we think the shares still

## look attractive." ICI suffers

ICI suffered one of the sharpest setbacks among FT-SE 100 shares on news that the company and two of its associated companies were among eight defendants in a US lawsuit alleging dumping of toxic chemicals, including DDT and PCBs. The suit has been brought by the US Commerce department.

Traders said that at least one Wall Street scenrities house had downgraded the company and that other reductions in forecasts from London brokers were on the cards.

Mr Oliver Fear at BZW said

that the law suit alone was not significant enough to account for the entire fall yesterday of 30 to 1182p. The company had enjoyed a long run and investors were taking profits. ICI turned over an above average

# Davy disappoints

Davy Corporation realised the market's worst fears yes-terday when disclosing annual profits well below analysts' forecasts. The figure of £30.1m,

vious year's £28.8m, went against expectations of £33m to £36.5m. Reports that the group's results would disappoint, together with speculation of possible fund raising, had brought pressure on the shares over the past few sessions. The movement gathered momen-tum yesterday, lowering Davy to 228p before a close of 234p, down 14 on the day.

Speculation about the possi- 1150

bility of more swingeing cuts in UK defence spending brought further disarray and heavy trading in defence-re-lated stocks.

Increased liquidation of British Aerospace was evident over announced cutbacks in the Tornado aircraft pro-gramme, and there were also fears that BAe may be ordered to repay about 244m of "sweet-eners" and other aids granted by the British Government over the sale of Rover, the vehicle manufacturer. The

shares dropped 28 more to 520g. Rolls Royce recorded high volume for the second day running,but business was more evenly balanced. This meant the shares lost only 2 to 215p after turnover of 15m.

Also in the firing line again were Smiths Industries, 8 down at 243p, and VSEL Consortium, which shed 5 more to 378p. Lucas was more heavily affected — a leading securities house remained negative on automobile industry prospects and lost 8 to 158p.

The only winner on the day was Westland. Views that the Ministry of Defence might

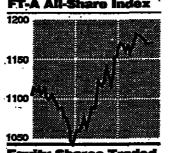
make greater use of helicopters pushed Westland, which leads the EH-101 helicopter project,

higher to 115p, up 2. Globe, the world's biggest investment trust, eased from a marginally higher morning level of 206p after the British Coal Pensions Funds (BCPF) raised the terms of their offer from 193p to 205p cash per share. There had been hopes of even better terms from BCPF. Brokers to BCPF purchased large quantities of Globe shares, pushing turnover in

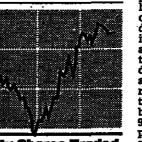
the stock to a heady 51m. At the close, Globe was a penny easier on the day at 204p.
Confirmation of the bid for Reedpack, a two-year-old management buyout from Reed International, by Svenska Cel-lulosa, the Swedish pulp, paper and packaging group, helped

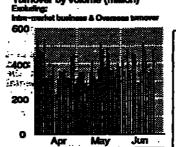
quoted paper companies. Wiggins Teape Appleton, demerged last month from BAT Industries, built on Tuesday's rise which in turn was based on press speculation of the Reedpack deal. The shares firmed 2 to 213p, making a

two-day improvement of 7. FT-A All-Share Index



**Equity Shares Traded** Turnover by volume (million)





Angela Bawtree at S.G. War-burg said Cellulosa had been mooted by some as a possible bidder for Wiggins, and that any predatory moves were now unlikely from the company. The clearest beneficiary of the deal was Pead. It had wen

and had an option on 10 per cent of the company, said Ms Bawtree. That investment was now valued at £94m and would full year on Reed's pre-tax profits. Reed peaked at 460p and closed at 458p, up 5 on the day.

Wellcome fell sharply as an

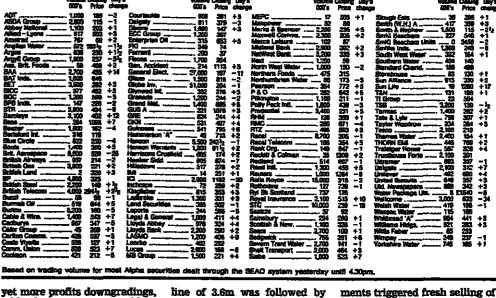
gates heard renewed reports that resistance to Wellcome's Aids treatment Retrovir might become a problem. There were also the anticipated reports of promising alternatives to the drug. S.G. Warburg trimmed its profits forecast for the company and James Capel reiterated its cautious stance at the

morning meeting.
BTR suffered from a profits downgrading by Mr Jack Jones at UBS Phillips & Drew. He cut 5 per cent from his forecast for the current year to £1 18bp and said investors should take profits ahead of interims in September. He was concerned both on currency and trading considerations.

Oil issues staged a minor rally after the bout of weakness induced by the steady slide in crude oil prices. August Brent dropped 20 cents more to \$15.50 a barrel yesterday. Shell, which moved against the market trend on Tuesday, continued to gain ground yesterday, closing a further 3 higher at 464p, although turnover contracted

to 2m shares. In an otherwise quiet transport sector, BAA rose to a new high of 435p up 14. This was one of the stock's sharpest daily rises since privatisation in July 1987 and turnover was steady 2.7m. The sharper cona steady 2.7m. The shares continued to be helped by Monday's good figures but received an additional boost from renewed speculation that ADT. the conglomerate, might try to the congiomerate, might by use bid for the company. ADT has 9 per cent of BAA but is, in principle, prevented by a Government "golden share" from increasing the holding beyond 15 per cant

The banks sector endured big cross of Racal shares - a



yet more profits downgradings, with the most severe said to have been carried out by Morgan Stanley, the US invest-ment bank. But share prices were boosted by marketmakers closing short positions. Bar-clays were heavily supported and closed 12 higher at 402p on

3.1m. Hambros' figures were well received with the shares 3 higher at 286p. Other merchant banks retreated, however, Kleinwort Benson dipping 10

The electronics area of the market was the scene of some of the day's keenest activity, with Racal Electronics, where 8.7m shares changed hands, hard on the heels of GEC and STC in terms of turnover. A

line of 3.6m was followed by numerous smaller trades - saw the stock retreat from an

penny easier at 206p.
Sketchley staged a recovery
of 12 to 183p after two days of
sharp falls in the wake of Monday's rights issue and publication of losses.

Full year profits from Unigate were 5 per cent higher at £105.5m and the shares firmed 7 to 312p. Turnover was an above average 2.1m shares.

Speyhawk remained the focal point in the property sec-tor but the shares found the going heavier than the previous two days. They ended 7 up at 240p, with the market still on the alert over a bid from

Nordsjernam of Sweden.

Priest Marians, which pulled the shares down 27 further to 168p. Rosehaugh gave up 7 at

199p. Second liner Park Food, whose main husiness is the packing and supplying of hampers, rose for the second session running and ended 10 higher at 220p. Traders said that bargain hunters in otherwise thin trade had set the rise

Continuous Stationery, up 6 at 66p, continued to respond to the good preliminary statement - profits were more than doubled.

**■** Other Market statistics. including the FT-Actuaries share index, Page 22

# **NEW HIGHS AND LOWS FOR 1990**

**APPOINTMENTS** 

NEW HEGHS (\$3), BRILDMASS (\$), BRITISH FUNDS (\$) BRILDMASS (\$), BRILDMASS (\$), BRILDMASS (\$), CHEMICALS (\$) STORES (\$) ELECTRICALS (\$) ENGINEERING (\$) FOODS (\$) BRUSTRALS (\$16), British Steel, Courisides, Darby, Egg, Harrisons & Crossleid, J.S. Pathology, Robertson, Rockman, Sanders & Sadney, Shanles & McGreen, Sabe, Torsichs, Do. 6's pt Crn. Schools (\$), Sanders & McGreen, Sabe, Cr. PL, Toya, Vinten, Beukhale (\$), Sanders & Cr. PL, Toya, Vinten, Beukhale (\$), Sanders APERS (\$), SANGES (\$), SA

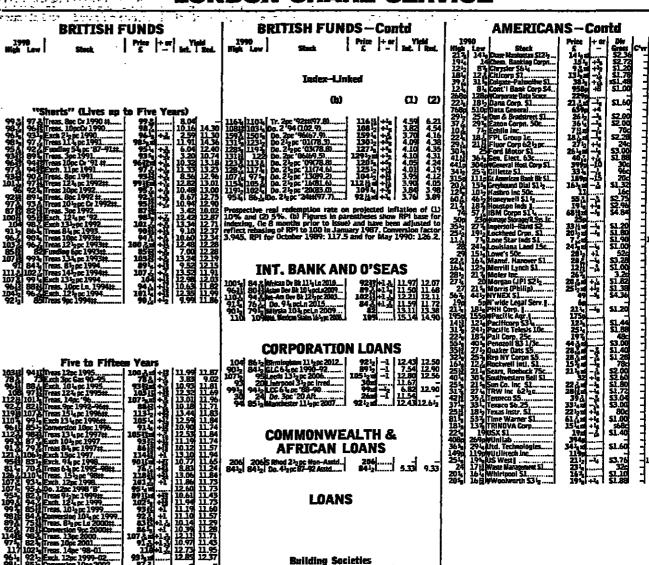
MANKET (1).

ABERICANS (6) CAMADIANS (2) BANKS
OF BILLDWIS (8) CAMADIANS (2) BANKS
OF BILLDWIS (3) CHEMICALS (1) STORES
(1) ELECTRICALS (2) ENGINETRING (2)
POODS (1) BUNUSTRALS (6) ADG. Smith
Bloodstock, Creets, Pizzwillon, Russell (A.).
Tams (John), Welloome, Whitegets Leisure,
LESURE (1) MOTORS (2) PAPERS (2)
PROPERTY (4) SHOES (1) TRANSPORT (1) TRUSTS (4) OLS (4) MINES (12) THESD
MARKET (2).

Some analysts thought the rise was unwarranted. Ms

the deal was Reed. It had reinvested £84m in Reedpack preference shares after the MBO, be worth an extra £10m in a annual conference on Aids opened in San Francisco. Dele-

# LONDON SHARE SERVICE



**FOREIGN BONDS & RAILS** 

# Hawker **Siddeley** changes

HAWKER SIDDELY GROUP has appointed Mr Paul Jones to the group executive as director human resources. He was with The Burton Group as sector personnel director menswear. Mr Thomas Delday has been promoted from works manager to director and general manager of Crompton Stud Welding. Mr Donald Moss, company secretary. becomes a director of Univoss Batteries, Mr Ian Murdoch has been appointed operations director of Tungstone Batteries. He joins from Plaxton Coach and Bus where he was general plant manager. Mr Mark Ryder becomes finance director of Oldham Crompton Batteries. He joined the group in 1985.

Mr William J. Tierney has been appointed managing director, manufacturing and marketing, of TEXACO. London, from July 1. He is general manager of Texaco Petroleum Maatschappij (Nederland) in Rotterdam.

Mr Paul Ellis has been appointed managing director of CASPEN OIL. He was a director, and takes over from Mr Delo Caspary who

Mr Mike Hart has been appointed group managing director of ACT GROUP. Mr Brian Whitty becomes group finance director.

RANK XEROX (UK); Marlow, has appointed Mr Vernon Zelmer as general manager from July 1. He was vice president, Xerox Corporation's marketing group's central region, Chicago.

■ FENNER, Hull, has appointed Mr Dudley Mallett as divisional general manager of Fenner Fluid Power. He was general manager, Fluid Power, Romford, for which he will continue to be responsible.



PORTMAN SQUARE HOLDINGS. Croydon, has appointed Mr Philip A. Bunt (pictured) as finance director. He joined the company last August from Hacker Young.

Mr Duncan Forbes has become managing director of WILLMOTT DIXON MIDLANDS, Coleabill. He was surveying director with Willmott Dixon Housing.

■ Mr Jeremy Dixon has been appointed managing director of AIR UK (LEISURE), Stansted. He has been a director and general manager since the airline was formed in summer 1987 as a sister of scheduled carrier Air UK. New to the Air UK Leisure board is Mr John Jones, managing director of Viking International Air Chartering, selling arm for the airline whose parent company, Viking International, is a 40 percent shareholder.

Mr Ian Wilson Hannah former chief civil engineer of the Central Electricity Generating Board, has joined KIER CONSTRUCTION as a non-executive director.

Mr Gilbert Hogg, company secretary, is to be appointed to the new post of director of regulatory operations at BRITISH GAS. He remains company secretary until

■ MASONS has appointed Mr Mic Reeves as its first full-time director of education and training. He was previously head of the law department at a London Polytechnic.

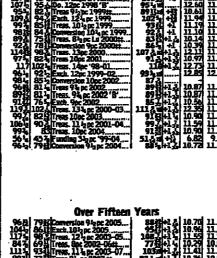
■ Mr Nigel Beever has been appointed financial director of ISIS GROUP.

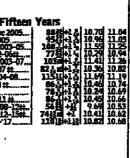


GOVETT GROUP has appointed Mr David Plucinsky (victured) as chief executive officer at Hoare Govett Securities. Mr Simon Clegg, joint head of equity sales, moves to head of investment research. At Hoare Govett Corporate Finance, Ms Faye Wilson becomes managing director of the newly-formed advisory groups in mergers and acquistions, and acquisitions finance. Mr Mark Cusack, formerly head of investment research, is made a director responsible for internal liaison.

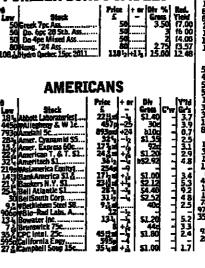
■ Mr John Quinn has been appointed production director of ROYAL STAFFORD CHINA and Royal Stafford Hotelware.

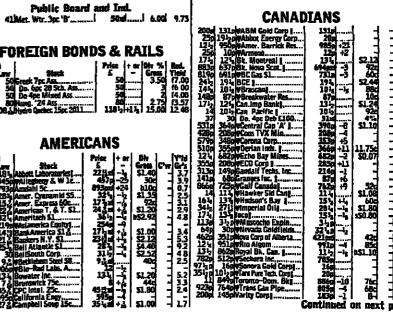
🗷 Mr Brian F. Clifton has been promoted to managing director of THE BUILDERS' ACCIDENT









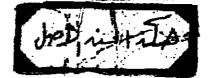


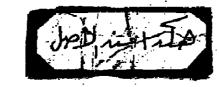
M

LONDON SHARE SERVICE

 Lineart Share Prices are available on FT Cityline, To obtain your free Share Code Booklet ring the FT Cityline help deak on QT1925-2128

	LONDON SHARE SERVICE	Share Code Booklet ring the FT Chyline help desk on BT1-925-2128
BANKS, HP & LEASING  TOTAL TOT		INDUSTRIALS (Miscel) - Control  The property of the property o
129 1113/86ste 10p. v 113 - 2 4.3 3.3 5.4 8.8 9 120 1126Structly Group 5p v 121 87/85acht Group 5p v 121 87/85acht Group 10p v 127 4.4 1.9 6.7 9.8 4.7 208/26rathrost Elect 5p v 121 87/85acht Group 10p v 127 4.4 1.9 6.7 9.8 4.7 208/26rathrost Elect 5p v 12.7 12.7 12.7 12.7 12.7 12.7 12.7 12.7	113   39500 Gross   1844   5.2   47.8   5.3   3850casts Res libe   47   77   4722160   51aretey inds   8   186   7.6   6.6   56   56   57   57   57   57   57   5	587 5.7 Start Sparie Cay 5. 7 152 4.7 0.3 45.9 152 152 5.7 0.3 45.9 152 152 5.5 carries and Cay 5. 7 152 152 152 152 152 152 152 152 152 152
445 346Steetley B 443 +3 13.75 3.11 4.11 9.7 167 143Boorino Prof. Sci. 5 v 160 4.01 3.3 9.6 265 207Tarmar 50p o 262 +2 11.25 2.9 5.7 8.1 76 67 70msfag & M. 10.9 B 76 12.32 2.8 4.1 10.9 1111 79Tay Hornes v 98 14.0 6.6 5.4 3.7 5.40 430Hornet Highs 5 v 443 17.4 5.0 2.2 12.1 323 2.37Taylor Woodrow o 284 +3 9.01 2.4 4.2 12.0 236 181Elect comps 10p., pl 236cd +3 6.01 61 3.4 9	96. 91; UMECO	Commercial Velicies  253 Independent Velicies  176 177 177 177 171 17 11 11 11 11 11 11 11





1944    200   201   20	1986   1.00	Solicit. Emp. Sect. 10p v   140p. Warrants. v   667 5660frt, lawer. p   140p. Warrants. v   667 5660frt, lawer. p   579 44617 1530frt, lawer. p   579 4531 150   140p. Warrants. v   570 1240   10p. Warrants. p   570	196	1.5   1.5	Display   Stack   Price   High   Law   Stack   Price   High   Law   Stack   Price   High   Crys   High   Law   High   High   High   High   High	1990	324 -2   19 -1
Components  Callabory Panels  Assistant Stransfor v  19	17.56   17.56   18.57   18.57   18.57   19.5	177 133 Brunner law	31	197 Shires im, 30p.	1999   1990	190	
998 (Subral Motar Augus, v) 186   123   133   143   10.7   132   133   143   10.7   132   133   143   10.7   132   133   143   10.7   134   133   134   135   135   136   137   135   136   137   135   136   137   135   136   137   135   136   137   135   136   137   135   136   137   135   136   137   135   136   137   137	172   12084ckst Sies 20p   148   5   13   4   4   14   15   13   13   13   13   13   13   13	25	10.5 7.9 370 2 370 3 38	22   17.5   1.9   1.0	1906   135   100	14	MARKET  *** Bet 7.8 2.7 6.*  MARKET  *** Bet 7.7 6.*  ** Bet 7.7 6.*  ***
EWSPAPERS, PUBLISHERS  SBladscere	13	223 223 Do. Warrants v v 223 228 English sizt low Pid. v 224 228 228 English sizt low Pid. v 225 225 228 228 228 228 228 228 228 228	45	FINANCE, LAND, ETC    Low   Stack   Price   -	27.6   396   34(Ultramsu   0   377 - 1   9.0   2.4     10.6   10.3   126   10.5   127 - 1     1.7   10.6   10.3   126   10.5   127 - 1     1.8   10.5   10.5   10.5   10.5   10.5     1.9   10.6   10.5   10.5   10.5   10.5     1.0   10.6   10.5   10.5   10.5   10.5     1.0   10.6   10.5   10.5   10.5   10.5     1.0   10.6   10.5   10.5   10.5   10.5     1.0   10.6   10.5   10.5   10.5   10.5     1.0   10.6   10.5   10.5   10.5   10.5     1.0   10.5   10.5   10.5   10.5   10.5     1.0   10.5   10.5   10.5   10.5   10.5     1.0   10.5   10.5   10.5   10.5   10.5     1.0   10.5   10.5   10.5   10.5   10.5     1.0   10.5   10.5   10.5     1.0   10.5   10.5   10.5   10.5	215 215 Cupons Storage Serv.  21 14 Parryard Let. Sp y  2.5 12.6 22 13 Janua Expl y  2.8 9.3 3.2 12.8 3.4 12.8 14 13 Extensor Lesser Sp. o  3.2 12.8 14 90. Wrmst y  4.0 4.5 5.2 6.6 5.3 36 Estimate Expl. # 50. y  4.0 4.5 5.2 6.6 5.3 36 Estimate Expl. # 50. y  4.0 4.5 5.3 15 Est of Forward lam.  3.5 6.6 5.3 36 Estensor Expl y  5.2 15 15 Est of Forward lam.  3.5 17.7 6.6 13 36 Estensor Expl y  6.6 13 15 Estensor Hiss 10. y  6.7 91 10. Storage Server Sp. y  6.8 11.0 6.9 79 55 Rokkins Brevery Sp. y  6.9 79 10. Storage Server Sp. y  7. 10. Storage Server Sp. y  8. 10. Storage Server Sp. y  10. Storage Server Sp. y  11. 3.8 83 61 40. Storage Server Sp. y  12. 11. Storage Server Sp. y  12. 12. Storage Server Sp. y  13. Storage Server Sp. y  14. 10. Storage Server Sp. y  15. 3. Storage Server Sp. y  16. J. A. Maloray Frest Jp. y  17. Storage Server Sp. y  17. Storage Server Sp. y  18. Storage Server Sp. y  19. Storage Server Sp. y  19. Storage Server Sp. y  10. Storage Server Sp. y  11. 3.8 83 61 Poddington Sp. y  12. Storage Server Sp. y  13. J. M. Systems Connections y  14. 2.5 34. J. Systems Connections y  15. Storage Server Sp. y  16. Storage Server Sp. y  17. Storage Server Sp. y  18. Storage Server Sp. y  19. Storage Server Sp. y  19. Storage Server Sp. y  10.	110
Static Res. Colores. 10a   Static Res. Colores. 10a   Static Res. Colores. 10a   Static Res. Colores. 10a   Static Res. Colores. Colores. 10a   Static Res. Colores. 10a   Static Res. Colores. Colores. 1138   Static Res. Colores. 10a	170   129/82arhop Props. 9   189 - 2   180 - 2   7.9   3.9   193   193   193   194   195	200 142 Fledgelling Japana k. v 143 88 Do. Warrants. v 144 145 Feming American. N 145 146 Feming American. N 145 146 Feming American. N 145 146 Feming American. N 146 146 Feming American. N 146 146 Feming Interprise. N 147 150 Feming Enterprise. N 147 150 Feming Enterprise. N 148 150 Warrants. N 149 150 Caro Div Pf V 149 151 Feming Werendile. N 149 151 Feming Werendile. N 149 151 Pf. Feming Werendile. N 149 151 Pf. Feming Werendile. N 149 150 Caro D 150 C	77 + 1	3-35 Septiment (505) 51	9.0 24 24th Priss Africa 18 50. 24 CSG 1 4 4 1 1990 PLANTATIONS  1990 High Law Stack Price + ar Shr Net C Rubbers, Palim Oli  88 655 Auglo-East Plants. v 66m 2.0 20 70 70 Sertian 10p. 70 120 120 120 120 120 120 120 120 120 12	4.71 8.6 81 551 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 7 151 61 75 75 75 75 75 75 75 75 75 75 75 75 75	2.0 3.0 4.8 7.7 24 a 0.88 6 4.8 6 273 - 56.1 273 - 56.1 274 a 0.88 7.7 275 - 671 a 0.88 275 - 671 a 0.88 275 - 1 4.5 6 7.1 6 322 a 1.85 2.8 4.2 8.2 311 - 1 14 5 6 7.1 6 324 a 1.85 2.8 4.2 8.2 311 - 1 14 5 6 7.1 6 312 a 1.85 2.8 4.2 8.2 313 - 1 14 5 6 7.1 6 313 - 1 14 5 6 7.1 6 314 5 6 7.1 6 8.4 315 - 6 7.1 6 8.4 316 5 6 7.1 6 8.4 317 - 7 8 8.4 318 - 7 8 8.4 319 - 7 8 8.4 319 - 7 8 8.4 319 - 7 8 8.4 310 - 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8
38 47A Sciention 5p. v 38 -5 2.5 1.7 8.6 8.7 128ATP Commer, 5p. v 346 7.2 3.4 3.9 9.9 66 Nacksis Group 10p. v 71 -1 1.0 4.6 1.9 13.1 0.6 9.3 3.6 2.4 12.6 23 Nacysis Group 5p. s 249 3.5 2.4 12.6 23 Nacysis Group 5p. s 249 3.5 2.4 12.6 28 Nacysis Group 5p. v 245 45 7.8 3.9 3.6 8.9 128 Nacysis Commerce 5p. v 285 45 6.73 0.7 6.3 3.9 3.6 8.9 128 Nacysis Commerce 5p. v 413 6.73 0.7 6.3 3.9 3.6 8.9 128 Nacysis Commerce 5p. v 413 1.7 5.2 7.5 7.8 8.6 68 NB Resumes 5p. v 42 2.0 Generose 79 1.6 1.1 1.3 1.4 10.4 9.5 1.1	325 273/Fil-Gross v 325 +5 110.0 2.9 4.1 9.1 159 104/Fittan Hidgs. 50 v 104 2.0 1.7 2.6 30.0 76 47/Headian Gross 50 v 47 2.2 4.2 8.6 8.6 9 191 158/Lambert Hit. 200 v 148 +2 10.0 2.3 7.2 7.7 141 90/Fittan Garnar # 116 +1 10.0 2.3 7.2 7.7 141 90/Fittan Garnar # 116 +1 10.0 2.3 7.2 7.7 141 90/Fittan Garnar # 116 +1 10.0 2.3 7.2 7.7 141 90/Fittan Garnar # 116 +1 10.0 2.3 7.2 7.7 141 9.0 1.0 3.6 3.6 2.3 300/Fiylo Fisher v 333 +5 9.0 1.0 3.6 3.6 2	200 h23 Do. Cab.	74 W13.4033 43.62.6 560 57 K0.1 0.2 63.2 6.7 64 29 K0.1 0.2 63.2 6.7 64 29 K0.1 0.2 63.2 6.7 64 29 10.75 0.9115.1 18 348 99 5 409.34 41.714.8 644	178 Enteling Fd. Man. V 211 115 15 7.31 150 163 4 164 164 165 165 165 165 165 165 165 165 165 165	1.25 32.2 32.2 740 1.61 Durban Dep RI	13M/Izzaya Hldús 55 yi Fro Whilesta Lelsar 51 <sub>2</sub> 1 31 <sub>6</sub> 1W/itton Group 1.p yi 807 807 807 807 807 807 807 807 807 807	13
223   Constall for Green   272   0148   5.1   16   14.9   15.0   15.0   16.3   3.3   2.8   13.7   15.0   15.0   15.0   15.3   15.3   2.8   13.7   15.0   1	33 11 Abertom NPV	50½ 41½ Glasgow Inc. Tst p 207½ 164Globe Inv	25 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	207 Do. Warrants	201   SSIVEST VARION   SSI	512 3 3 lwillion Group Ip yl  512 3 lwillion Group Ip yl  512 3 lwillion Group Ip yl  513 3 lwillion Group Ip yl  80710.3 locs Exchange dealing classific of security names: a Alpha, B B  1.329,0 or "net" distribution basis, earni 9 6.3 bracketed fligures indicate 10 is 1.716.1 calculated on "nil" distribution hasis, earni 1.410.9 "maximum" distribution position; this c  1.610.1 "maximum" distribution, eacheding Including estimated extent of offs maximum" distribution can be under for value of sectared distribution for value	actions are indicated to the right eta, y Gamma, is and net dividends are in pence injured price/earnious ratios and reports and accounts and, where anyl figures. P/Es are calculated ings per share being computed on effered ACT where applicable per cent or where applicable per cent or where applicable compares gross dividend costs to prescribing profits/fosses his estable ACT. Vields are based on a compare special profits/fosses his estable ACT. Vields are based on and right. Nields are based on and right, and allows an and right. In the percentage discounts current pre-closing share price, harpes at par value, convertible et if dilution occurs.
77  Cold Greenles   750 - y   177	133 130Akties Bros.  88 648ectrama A 100. v  1464  121 131 131 131 131 131 131 131 131 131	1150_1 104(bb. Zero Div PT 100_v y 113 5-3 304(microstocis to viv g 117 5-3 304(microstocis to viv g 117 1210_0 Warrants [ 13 106 604(mescars Capital g 12 106 604(mescars Capital g 12 106 105(mescars Stephal g 12 107 137/bcs Holdings g 12 108 137/bcs Holdings g 12 109 137/bcs Holdings g 12 109 144(Gelmont Charter g 13 104(1) 1574 [Kighwort Charter g 13 105(1) 1574 [Kighwort Charter g 13 105(1) 1574 [Kighwort O'sex 10. g 11 1553 120(Gelmont Smaller 2c. g 13 105(1) 1580 Warrants 12 100 1581 Lacs 2, 4 London Ins. g 10 101 159 150 Loseraged Ope 114 g 12 102 150 Loseraged Ope 114 g 12 115 150 Warrants 1 g 12 115 150 Warrants 1 g 12 117 11 g 12 117 11 g 13 117 1	0.22 0.8 70.10.6 511 1.14 61.78 6.3 111.4 8.9 14.6 11.5 14.6 13.8 14.6 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11	7.1-j Du. 7.4 pr.D. 2500-2501 5.79 1; 4.1 077-4. 9.7 107708.4 5 5. 500 6. 13.9 4 74.5 2.2 5.0 1 9530M. & G. Group 8 4994 4. 156.5 1.9 4.9 1. 4400 1.1-j 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	- 491 100531/fonteln 50c 124 530c 530c 530c 526 52 52 52 52 52 52 52 52 52 52 52 52 52	6.4 - subjected to same degree of Not officially listed. 1.119.0 # Prior at time of suspension indicated dividend after pan cover relates to previous div Merger bid or reorganisation. 4 Not comparable Same interim; reduced fit indicated for the property of the property	of regulation as listed securities, a noting scrip and/or rights issue; widend or forecast, no in progress; limat and/or reduced earnings on earnings updated by latest
Selection (Marrier Illn.)	17 7 19 19 19 19 19 19 19 19 19 19 19 19 19	130 Un. Warrass.   1   193   2021   172   172   173   174   175	99 11 9.0 6.2 220.711.7 33 10 12.25 3.5 91.6 6.1 53 10 12.012.7 550 10 12.012.7 121.1573 123 10 12.012.7 121.1573 123 10 12.012.7 121.1573 123 10 12.012.7 121.1573 123 10 12.012.7 121.1573 123 12 12 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13	49 manute 10p v 49 -1 13 1.1 4.2 2 49 manute 10p v 49 -1 13 1.1 4.2 2 49 manute 10p v 71 2.5 1.8 4.7 12 57 Persent 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	26.5 16 14 Wanke, col. 251. 16. 6.0 2 15.4 160 Windowshy Sos. 50. 160 6.0 2 15.4 56 45.0 Ptd. 1n. 45m 6.0 2 20.2 20.2 20. 20. 20. 20. 20. 20. 2	2.1 7.6 Special payment: Over does not a dividend and yield. B Preference on a group of the properties	A privoted and yield include a apply to special payment. A Net dividend passed or deferred. Ciec. F Dividend and yield based imates for 1988-89, C Assumed g strip and/or rights Issue. H sectus or other official estimates is passed on prospectus or other Estimated assumalised dividend, amail earnings. M Dividend and official estimates for 1988. N same termines, M Dividend and rofficial estimates for 1988, or other official estimates on prospectus or other official estimates. To prospectus or other official estimates, as or other official estimates, as or other official estimates, as except issue; are x rights; at ex.  [RISH STOCKS Regional and Irish stocks, the in Irish carrency.
749Cardiff Prog 200 v 778 2.25 1.5 0.8 1.7 4.2 5.2 5.4 5.2 1.4 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2	\$2.00   \$2.00	220 250 Cap 100 250 4 120 29 150 Warrants 102 27 150 Personal for 150 250 250 250 250 250 250 250 250 250 2	19   20 5.2 80.835.9 194   195	Add Wester   144   -1   126 76 2.9 7.3 5	5.2 34 22/Carr Boyd 20c. 25 97.2 L 6.5 56 359/Central Pacific. 46 6 6 5 6 5 90/Central Pacific. 46 6 6 5 6 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Cap. 8½ % is. 1911   598 ½ + 14   190	100   100
2010mel   321	1990   Stack   Price	143 113 bo. Cap	77 +2	308 (Fridge Oil	174   173   174   175		## Land
\"\"\"\"\"\"\"\"\"\"\"\"\"\"\"\"\"\"\"	March Purter 10p.   Sept.	Less from 1/16_   16_	Total Content   Property   Prop	PROPERTY	PROPERTY  PROPER	PROPERTY  PROPER	TRACCOS  TOMOGRAPH  TRACCO

U

AUTHORISED
UNIT TRUSTS
Just Case. Bid Orto- Chrys Price Price Price

bey Unit Tst Magrs (1809)H Reldenburs Rd, Bournemouth Nanome 0345 717373 --6 50.70 50.70 54.22 0.45.05 --6 104.8 104.8±111.2±0.69.89 --6 136.7 136.7 146.2±0.94.14 --6 138.2 188.2±199.7 -0.54.46

5 00.38 00.38 05.60 01.71.20 5 26.96 26.96 28.94 -0.101.16 5 111.6 111.6 118.4 +0.2010.91 5 16.9 2 140 2 156.2 +0.2010.91 5 126.5 266.5 275.2 -0.00 36 3 26.37 26.37 4 200 6 40 00.38 5 34.42 34.42 36.64 01.21.17 not Unit 7st Mont Ltd (1900)F buy Pavement EC2 071-528 9876 Galling 3 1190 1190 126.1 1.140 e 1190 1190 126.1 1.140 grip isc. 5139.94 39.94 42.94 110.2

| Description |

According to the control of the cont 

Date Come and a state of the 

Unit Trust Management (1206)H White St, Majotane MECA UNI 0226 M731 G-12 023 M2 0426 M731 G-12 023 M2 0426 M731 G-12 023 M2 0426 M731 G-12 043 M2 043 M2 043 M2 05 M2 04 02 13 M2 100 M131 M3 G-14 02 M2 10 M2 Manualife Group PLC (1280)H

Japanese Green - No. CRI 36 R.36 40,791-02010.09

Marks & Speaser Unit Trust List (1200)F

PO Box 430, County X, Criti 905 0244 520046

R & Silve Finite - 35, 111.4 111.9 177-03-04 025.0

DA Accom - 55, 110.3 114.8 122,744 42.5

UK Sal Pinite - 54,79 52 100.5 107,410.8 025.2

DA Accom - 54,101.4 100.38 107,410.8 025.2

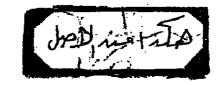
Markinersoph Managon Trust (1430)F

ZY Victor to State Belline - R1 VIA - 2004 82.002.

Just Come. Bid Offer + as Cargo Juleo Poloc Price -

The control of the co | Security | Institute | 1932 | 1932 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 1933 | 19





FINANCIAL TIMES THURSDAY JUNE 21 1990  FT MANAGED FUNDS SERVICE	31  Current Unit Trust Prices are available on FT Cityline. To obtain your free
Lolt Case. Bid Offer to Vield  Dangs Price Price Price Co. Bid Offer to Vield	Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128
	Application   Company   Company

U

Control of the second of the s

FINANCIAL TIMES THURSDAY JUNE 21 1990 ulable on FT Carrine. To obtain FT MANAGED FUNDS SERVICE Unit Trust Code Booklet ring the FT Cityline help deak on (I) Som Life Unit Accourance
Science Serve, Break 1557
Material Acc.
Pricety Acc.
Life 17 Acc.
Life 184 9 174 0 194 1 194 1 194 1 194 1 195 1 175 **4** 107 3 All Inspect Courses 198 at Marrier and Menage 197 1 Y.

Enrulify Assurance Group

5-11 Moviler S. London Wild 797

Starting Landons Fig. 1862

Posset London Fig. 1862

Posset London Fig. 1862

Posset London Fig. 1863

Pisses Instartabilistal Lid

(A) Borney Fisse Instartabilistal

UR Proporty Bont. 1874

UR Proporty Bont. 1870

UR Proporty Bont. 1870

UR Proporty Bont. 1870

UR Proporty Bont. 1870 +2.2 +7.7 +1.6 +0.3 +0.3 Jamane Special 128 6

Roth American 171 186 6

Roth American 171 186 6

Smaller Con Dividend 61 9

We Captilly Forbath 100.3

Missaped 129 British for Sandier Con Dividend 120 6

Smaller Con Dividend 61 9

Smaller Con Dividend 61 9

Smaller Companies 120 6

Gest British for Sandier Con Dividend 120 6

Gest British for Sandier Con Dividend 120 6

Gest British for Sandier 120 7

Smaller Companies 200 1

Social Forbard 200 1

Gest British for Sandier 200 1

Social Forbard 200 1

Gest British for Sandier 200 1

Gest British for Sandier 100 1

Jack British for Sandier 100 574.3 1171.0 403.7 387.4 445.4 294.2 213.2 159.7 199.9 121.2 121.2 E (Unit Finals) Ltd

berough PE 65A

170.6
170.6
170.6
170.6
170.7
864.9
174.7
864.9
174.7
183.9
174.7
183.9
166.9
175.7
166.9
174.7
116.3
122.4

t Unit Populat 10.1 45.7 13.7 769 2 126 0 126 0 126 7 200 7 200 7 200 7 200 7 200 7 200 7 200 8 | Helborn Estators Gerd. | 115.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 121.2 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | 40.1 | Scottleb Life Investments Peyasus Assurance Lini road Quay, Bristor BSI 4DJ He Funds 0272 230271 -0.4 -0.4 -0.2 Mutual Insurance Co Ltd 17.99 188.20 24.83 12.15 175.89 66.49 115.49 115.49 116.51 178.0 179.3 178.0 154.8 342.2 457.2 157.8 158.5 158.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 167.6 +3.4 +0.7 150 4 155 5 174 5 130 9 130 2 120 3 130 5 130 5 144 1 212 8 213 8 190 9 148 8 160 7 252 9 148 8 127 9 104 8 858688 8: Secret Co Ltd.

Newards Heath
1.0 118.0 196.0 19 Regency Life Assurance Ca Ltd Regency Life Assurance Ca Ltd Regency Hollard Lindy 126.2 Regency Hollard Life 119.9 Regency Hollard Life 126.2 Balanced Prilio Fd. 127.7 Cancions Pillio Fd. 122.7 Dille Ford. 111.0 168 # 179 2 179 7 134 9 117 1 251 0 256 1 208 1 131 8 131 8 131 8 132 7 102 1 106 2 191 4 ようとうさんさんさんさんとうとうとうしゃ よっていっても ひゅうせい マンマンマン itanueel Possos | 1681.5 7771 Depost Person | 1693 7 172.5 Target Life Assorance Co Ltd Target House, Canthonic Rand, Arlest 隠 꿃 Managed
Property
Frieglist
UR Equaty
Free Internation
Section
Managed
Free Internation
Managed
Free Internation
Managed
Free Internation
Managed
Manag CT Hammer Senting. 1994.

CT Hammer Senting. 1994.

Manager Dollars. 254:

Providence Capital Int.

Providence Capital Int.

Providence Capital Int.

Providence Capital Int.

Senting Senting. 254:

Providence Capital Int.

Senting Senting. 254:

Senting Senting Senting. 254:

Senting S 997 プラウラウラウラウラウラウラ バキバキショネッパ~ Nana Velis, Kest 12, 143 4 1 2 143 4 1 361.1 2 603.0 159.5 1 126.6 1 126.7 175.7 - 153.7 - 203.2 205.5 221.6 148.2 133.6 105.6 105.6 106.9 95.0 191.5 203.8 2 1429 9 457 7 735 4 544 5 174 2 401 0 202 7 452 465 402 402 184.5 255.3 167.8 145.8 199999999 Prolific Life & Pensions Ltd 16674 17735547.1.296 1775547.1.296 177547.2.486 177547.4.486 177547.486 177547.486 1 94 44 477 47 1 40 8 149 39 61 42 72 40 73 40 73 GUERNSEY (REGULATERY") Address & Meyelle Franch Marge (Sea mark year Land ) and control of the control o 708.8 684.3 644.8 244.8 244.8 367.7 435.8 382.0 227.9 189.1 495.4 315.9 1257.3 1958.7 1958.7 1958.7 1958.7 1273.3 Standard Life Assura 3 George St. Ediobargh EN2 Managerd 481 Equity 67b 7 Ingel Integest 241 Index-Lobert 241 3 M Schröder
5 M Schröder
6 M Schröder
6 M Schröder
6 M Schröder
7 M S 081-567 0700 -0.3 --0.5 --0.3 --0.4 agement Ltd Serried 6742754666 917 7 1645 - -7 1645 - -1 100 4 - -1 1454 - -9 125.21 - -Do Britishiry

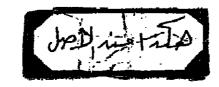
UK Life Assuran
Worthing Rd, Horske
Managed
Property
Sparty
International
Fixed International
Lampiane Prop Bond
Lampiane Was Managed
Managed Account
Managed
M Property Equity & Life Ass. Co Baner Are, Southerd SS2-60H 152.0 Int Man Prosine Fil. 124.4 152.0 Int Man Crity Bull-126.1 126.5 Int Man Crity Bull-126.1 126.2 Proutite Pros. Bull-126.1 124.2 Proutite Money Bull-126.1 124.2 Proutite Money Bull-126.1 128.0 Skandia Life Assurance Co Ltd (2)
Frobitier Ha. Nettos Ge. Southampton 0703 334411
Standia Life Famile 277.7 202.3 -0.8 International Fd. 287.0 340.3 -0.8 International Fd. 286.9 280.9 -1.4 Index Lite Gift Fd. 97 6 b 100.9 -1.4 Index Lite Gift Fd. 97 6 b 100.9 -0.5 Gift Plus Fd. 224.7 215.4 -0.8 Property Fd. 222.1 233.7 -0.8 Densiti Fd. 98.2 121.7 -0.8 International Fd. 284.7 215.4 -0.8 International Fd. 284.7 215.4 -0.8 International Fd. 284.7 215.7 -0.8 International Fd. 284.7 Interna Sun Alliance Ho
Life Panis
Managud
Deposit
Equity Income
European
For East
Ford Interest
Index Limited | Life | Press | 1996 | 1997 | 1997 | 1997 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | 1998 | AMANAGEMENT SERVICES

MANAGEMENT SERVICES

MANAGEME | Section | Section | Column | OFFSHORE AND 223 



. . . .



# Current Unit Trust Prices are available on FT Cityline. To obtain your troe Unit Trust Code Booklet ring the FT Cityline help desk on 071-825-2128 FT MANAGED FUNDS SERVICE Bid Offer + or Yield Price Price - Greek versionery of the control of the con Barclays Intl Feets Covery Feets Storling US Dullar 1, London, ECA 071-489-8825 -0.4 -0.05 -0.71 -0.25 -0.02 Ven Fa DPUP. 159 08 9 151 Warding Livestinent Services Lift Warding S L Asis Va. 1513 77 13 94 Japanee Warnans. 1513 27 13 94 Japanee Warnans. 1519 34 10 52 Lendown Warnans. 1519 08 10 52 Lendown Warnans. 1519 08 10 52 Maraged 10 1519 10 27 Welts Farge U.S. IT Fand Nev June 19 1 1510 02 Xiphras International Investment Viphras International Services Fund Market (CD) List 6. 68.88 9 194 +0.0510.88 513.91 31.93 +0.01 514.67 15.44 +0.07 8.25 E1.45 1.33 7.84 +0.08 16.83 -7.93 I +0.031 Money Market 0624 2244 Citibank (CD Ltd \*Citife IRELAND (SIB RECOGNISED) LUXEMBOURG (SIB RECOGNISSED) Trust Funds \$ has \$86.23 \$96.23 \$92.130 \$10 \$9.21 \$9.20 \$10.50 98.247 +0.213 Pierson \$252 89 \$347 62 \$36 41 Driss 54 \$28 04 Driss 90 \$47 83 ny (Jersey) Ltd 010 352 421211 Money Market A. Salak September 1 5.90 7.94 5.62 8.63 4.16 6.25 Bank Accounts Gross Aitken Harne Bank plc Attern Harme Bank plc 30 Crty Rass, CC1V 2av, 10 Crty Rass, CC1V 2av, 11 Crty 5.50 7.16 5.75 6.37 al Mingt Ltd 사사 5.14 5.03 4.51 4.61 4.70 5.19 \$12.89 5.14 5.25 5.25 490 -0.07 -0.02 -0.02 -0.02 -0.01 40.05 gal Ltd 1520.72 21.86801-00231 lank of Scotlan embeurg) SA 010 352 458825 LUXEMBOURG (REGULATED)(\*\*) Commercial Union Pr Equity Funds Monthly Joseph ...... Private Client Mond ..... Far Eastern Goth ..... Foreign & Colo al Mingut (Jersey) Ltd +0.04 7.30 +0.17 7.30 +0.01 14.50 +0.03 8.00 +0.03 8.00 +0.05 13.00 +0.07 7.00 +0.07 7.00 +0.07 7.00 +0.07 7.00 +0.07 7.00 ad 1.64 issociates N.V. DM2,279,10 ASIO 067 05:10:08 FF:50:32 06:20:73 110:08 FF:50:32 06:20:73 110:08 100:08 100: JSF12702.30 333.001 22.277 11.22.277 +0 09 -0.03 Grand Frank 15.1512 1.625-a -0.004 60.893 0.940 -0.002 529.60 29.61 60.1139 0.5877 -0.008 62.933 2.762 -0.006 62.933 3.154 -0.009 60.900 1.054 -0.008 61.684 1.821 -0.006 onal (Isle of Mas) Liu (9.70 10.51 (8.98 962 (9.61 10.15 (11.55 12.18 -3.46 Finding Flagated Flue FFF American\* FFF Continental Bungs\* FFF Entert Opps F. FFF Entert Opps F. FFF Entert Opps F. FFF Global Conv\* FFF (all Bond\* FFF Intl Entert FFF Intl Entert FFF Pacific\* FFF UK\* FFF Pacific\* FFF US Cortext Internal Commercial de France Credit Commercial de France Euro Sent Cos Class A. Bould 37 Euro Preside Class A. Bould 37 Credit Saisse CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 46 CS Many May 16 (1855. SISSI 05 181) 48 CS May 16 (1855. SISSI 05 181) 48 CS May 16 (1855. SISSI 05 181) 48 CS May 16 (1855. SISSI 05 181) de France Enulà 19 Enulà 19 536.31 Enulo 82 -0.05 Ecula 71 -0.07 \_i.02 11 694 1 821 -0.006 1 66 with Funds - 12 488 2.675 -0.024 1 50.850 0.425 40.002 1 51.57 77.04 1 52.126 2.301 40.004 1 58.30 1 9.49 1 58.30 +0.08 -0.66 -0.05 -11 +0.11 +0.22 OTHER OFFSHORE FUNDS Management Limited \$8.31 217 \$11,20 217 JERSEY (SIB RECOGNISED) **Gartmore Lux** Tell Char. Bid Offer + or Yield Corpe Price Price Price - Gris tts & Co Allied Trists Fund Managers (GI) Ltd Serring Chrysopy Fd. ... £14,9132 +0 0300 Managed Curratey Fd. ... 336,8578 +0 4581

U

# CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

# EMS factor again to the fore

RENEWED speculation about the timing of sterling's entry into the European Monetary cent, close to market expectations. System as a full member boosted the pound yesterday, while the US dollar strengthened in thin technical trading. Sterling began the day

firmly as high UK interest rates and a lack of movement by any of the other major currencies continued to attract investors. The market reflected renewed speculation about sterling's into the exchange rate mechanism of the EMS, even to the point of an expectation of an imminent statement from the Treasury, according to Mr Tim Fox, treasury economist at Midland Montagu.

The speculation was height-

ened when it became known that Mr John Major, the Chancellor of the Exchequer, was to speak later in the day on the UK government's proposals for further development of European Monetary Union. Mr Fox said the market would again be looking for hints from Mr Major on the timing of ster-

ling's entry into the ERM.
The release of May UK monetary data coincided with a temporary weak patch for ster-ling, though the move was technical and not linked to the publication of the data. The MO money supply measure grew in the year to May by a

\$	IN	NEW	Y	OF
June_20		Latest.		

June 20	Latest.	Presions Close
£ Spot	1.725-1.7235 0.94-0.93pm 2.76-2.74pm 9.16-9.09pm	1.7208-1.7218 0.96-0.97pm 2.72-2.70pm 9.28-9.22pm
	RLING II	

		Jame 20	Previous
8.30 9.00 1.00 1.00 Noon 2.00 2.00 3.00 4.00	200 201 201 201 201 201 201 201	90.7 90.7 90.7 90.8 90.7 90.7 90.7 90.8 90.8	90.1 90.1 90.1 90.1 90.2 90.2 90.2 90.3 90.4
		1	

CURRENCY RATES											
June 20	Bank rate %	Special* Drawing Rights	European Currenc Unit								
Sering U.S Dollar Canadian S Assurian Sch Beigua Franc Dasish Krose Deutsche Mark Neth Galldor French Franc Lalian Lira Japanese Yen Norway Krose Spanish Posta Swedish Krose Swedish Krose Swedish Krose Swedish Krose Swedish Krose Swedish Franc Greek Drach	104 6.00 7.00 104 132 54 8	2.769363 1.31738 1.34647 15.5293 45.3936 N/A 2.20275 2.48590 7.42607 1.6207 1.6207 1.8494 7.99913 1.86607 N/A	0.71379 1.2294 1.4290 14.490 42.326 7.8329 2.0082 2.3181 6.9253 1511.6 189.18 7.9246 1.73646 201.62 201.62								

**CURRENCY MOVEMENTS** 

Jane.20	Bank of Expland Index	Morgan <sup>es</sup> Guaranty Changes %							
Sterilog U.S Dollar Canadian Dollar Austrian Schilling Belgian Franc	90.8 67.5 103.8 109.3 111.2	-21.5 -10.8 +0.6 +11.5 -2.2							
Danist Krone Denische Mark Suiss Franc Guilder	110.2 117.9 114.2 114.1	+4.8 +23.9 +22.9 +15.9							
French Franc	104.1 101.0 120.3	-12.4 -18.3 +49.1							
1982=100. Bank of	Morgan Guaranty changes: average 1980- 1982=100. Bank of England Index (Base Average 1985=1000**Rates are for one 19								

OTHER CURRENCIES

June 20	£	\$
	8589.25-8626.20	4990.00 - 5010.00
Australia Brazil	2.1955-2.1975 94.6715-95.7325	1.2765 - 1.2775 95,0000 - 95,6000
Finland	6.7915 - 6.8055 280.35 - 284.85	3.9550 - 3.9580 162.65 - 165.35
Greece Hong Kong	13.3870 - 13.4005	7.7870 - 7.7890
kras Korea(Sth) _	119.85° 1222.85 - 1242.60°	70.10° 713.70-719.30
Kuntalt	0.5025 - 0.5040	0.2925 - 0.2930
Lucembourg Malassia	59.40 - 59.50 4.6540 - 4.6655	34.45-34.55 2.7085-2.7105
Medico N. Zealand	4898.55 - 4903.15 2.9480 - 2.9495	2848.00 - 2849.00 1,7130 - 1,7150
Saudi Ar	6.4455 - 6.4515	3.7495 - 3.7505
Singapore S. Al (Cm)	3.1650-3.1725 4.5800-4.5915	1.8405 - 1.8425 2.6655 - 2.6670
S. Af (Fa)	6.7220 · 6.8560 47.15 - 47.25	3,9060 - 3,9840
Talvan U.A.E	1110-13165	27.40-27.45 3.6725-3.6735
	Sellingte	

**MONEY MARKETS** 

Firm Lond	lon rates
UK money market rates were	to close at 14%-14% per cent
firm yesterday but closed	from 15%-14% the previous day.
below their highs after the	The key three-month
Bank of England provided	interbank rate closed at
more liquidity than it had ini-	14%-14% per cent, unchanged

on the day, but down from its high of 15. One year money finished at 14%-14% per cent,

finished at 14%-14% per cent, down h point.

Initially, a shortage of £600m had been forecast, and was later revised to £500m and finally to £450m. Total help of £458m was provided, which meant the Bank had overfunded by £8m.

During the morning it purchased £186m of band 2 bank bills at 14% per cent. In

bank bills at 14% per cent. In the afternoon it bought in Band 1 £6m Treasury bills at 14% per cent and £61m of bank

bills at 14%. Finally late assistance of £205m was

In Frankfurt, call money

rates were little changed despite a smaller allocation of

Bundesbank repurchase funds. Call money was quoted at 7.75-7.80 per cent, down from

provided.

UK money market rates were firm yesterday but closed below their highs after the Bank of England provided more liquidity than it had initially forecast was necessary.

During the morning, rates hardened after the Bank followed the pattern of recent days by forecasting a shortage and purchasing a small amount of shorter-dated bills. But in the afternoon, it provided more than enough liquidity to meet the market's needs,

and rates eased back slightly. The Bank left the market short of liquidity on Monday and Tuesday. As a result,

UK clearing bank base leading rate 15 per cent tross October 5

clearing banks' balances fell and this may have prompted the Bank to supply the additional liquidity. In its morning forecast of the market shortage, the Bank said bank balances were £220m below

7.80-7.90 the previous day.

The Bundesbank allocated DM17.9bn of repurchase funds in a two-tranche tender, draining a net DM2.4bn from The fall in bank balances and the approach of the May UK trade figures had caused the market. One senior West German money dealer said the dealers to run tight books. The market was sufficiently liquid thinness of the market caused to offset the drain caused by sharp movements in very short tax payments this month. He rates, with overnight money expected call money rates to dropping from 15-14% per cent remain close to current levels to 3-1 just after late assistance was provided. But it recovered for the rest of the week.

The release of the UK May balance of payments figures tomorrow also injected a note of caution into the markets. The market consensus is that the current account deficit will narrow to £1.4bn from £1.8bn in April. Sterling rose to DM2.8900 from DM2.8725, hav-

ing touched a high of DM2.8940. It also rose to \$1.7240 from \$1.7205; to Y265.50 from Y264.25; to FFr9.7200 from FFr9.6600; and to SFr2.4375 from SFr2.4225. Sterling's exchange rate index, as calculated by the Bank of England, rose to 90.8, up 0.4 point.

The dollar rose slightly in

quiet trading. Reports that Mr Mikhail Gorbachev, the Soviet leader, might resign as general secretary of the Communist Party helped lift the US unit. After the European markets closed, the Federal Reserve

released a survey conducted by its 12 system members, which reported slower US economic growth and stable inflation.
The report reinforced recent
economic data that inflationary pressures are being contained as growth weakens. But dealers said they did not expect any immediate easing

in monetary policy.

The next move in US monetary policy is not likely to come until early July, when the Federal Open Market Committee next meets. But analysts are uncertain whether the Fed will sanction any loosening of monetary policy. In New York, immediately after the report was released the dollar was steady.

In London the dollar closed higher at DM1.6770 from DM1.6700; at SFr1.4140 from SFr1.4080; at Y153.95 from Y153.55; and at FFr5.6375 from FFr5.6150. The dollar's index closed 0.2 point firmer at 67.5.

	EURO-CURRENCY INTEREST RATES													
Jan 2	0	Short. term	7 Days notice		One Month		ret suits	Siz Months		(Ine Year				
Sterling		13-12-1 712-7 9-8-1 713-714 913-914 13-14 83-8-1 11-10-1 83-8-8	147-144 81-82 134-13 9-84 71-74 94-84 94-84 91-74-74 114-108 81-84 7-84 per cost	26 26 77 11	12-143 12-83 12-134 13-83 9-84 13-74 13-74 13-74 13-84 13-84 14-101 13-84 14-101 13-84 15-101 13-84	853886	-144 -84 -81 -81 -81 -10 -10 -74 -10 -82 -10 -82	143-142 87-83- 171-134- 85-8- 81-84- 104-104- 111-11 91-92- 75-71- 104-104- 81-84- 87-84- 87-84- 87-84-	1	14[-14]3 83, 85, 13,-12]3 83, 85, 84, 85, 87, 81, 10,-10,-10,-10,-10,-10,-10,-10,-10,-10,-				
			FORW/											
June 20		Day's spread	Close		One one		44. D.E.	Three months		% 9±				
US Canada Hetherlands .	2 013	0 - 1.7245 5 - 2.0205 6 - 3.254	1.7235 - 1.7245 2.0195 - 2.0205 3.241 - 3.251		7245 1.7235 - 1.7245 0.95-0.9 0205 2.0195 - 2.0205 0.25-0.1		7com	55	2.78-2.7 0.60-0 4 54-41	7pm	6.42 1.06 6.15			

Demant Ireland W. Germany Portugal Spain Italy Norway France Swides Japan Asstria Switzerland ECU Commercial 9.20-9.10cps	11.08½ - 11.13 9.69½ - 9.73½ 10.43¼ - 10.47¼ 264¼ - 266 20.28 - 20.39 2.43¼ - 2.44¼ 1.4010 - 1.4040 rates takes towards !	59.40 - 59.50 11.00% - 11.01% 1.0790 - 1.0800 2.834 - 2.89% 253.25 - 254.25 177.80 - 178.10 2120% - 2121% 11.12 - 11.13 9.71% - 9.72% 10.46% - 10.47% 265-20.38 - 20.39 2.43% - 2.44% 1.4030 - 1.4040	25-25-cm 4-3-5-cm 0.41-0.37-cm 0.41-0.37-cm 14-1-3-5-5-31-cm 7-61re 34-2-3-5-cm 14-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-1-3-7-5-11-3-7-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5-5	2.72 7.63 6.40 6.15 4.92	7-72a-104-pm 11-104-pm 120-1104-pm 120-1104-pm 12-24-pm 12-24-pm 11-1-11-pm 11-11-11-pm 11-11-11-pm 11-11-11-pm	3 95 4 26 6 40 0 13 3 29 4 60 2 36 7 25 5 27 4 43
Jene 20	Day's speed	FORWAR	One month	IST T	THE DOL	LAR N

Japan 1 Asstria 11 Seritzerland 1 ECU 11	Sergien													
<u>EM</u>	SE	UROP Eca central rates	Carrenty amounts against Eco	% change	W. change adjusted for divergence	Dhergesce Bink %								
Belgian Frant Danish Krone German D-Mark French Frant Detch Guilder Irish Puet Italian Lira Spanich Peseta		42.167 7.7964 2.0444 6.8568 2.3035 0.76315 1529.7 132.88	9 42.3260 5 7.83255 6 2.06083 4 6.92534 8 2.31819 9 0.768641 0 1511.60	+0.37 +0.44 +0.80 +1.00 +0.63 +0.72	+0.37 +0.44 +0.80 +1.00 +0.63 +0.72 -1.18 -4.44	#1,5508 #1,663 #1,1762 #1,3618 #1,5272 #1,6609 #1,5162 #4,2705								
Channes are for 1	For the	refere nositi	re change denotes a	mak omen-										

inges are	ges are for Eco, therefore positive change denotes a weak surrency													
justiment c	timent calculated by Financial Times.													
	EXCHANGE CROSS RATES													
June 20	2	5	DBM	Yes	F Fr.	S Ft.	H FL	Ura	C 5	B Fr.				
Ē	1	1.724	2.890	265.5	9.720	2438	3.253	2121	2.020	59.45				
	0.580	1	1.676	154.0	5.638	1.414	1.887	1230	1.172	34.48				
DM	0.346	0.597	10.89	91.87	3.363	0.844	1126	733.9	0,6 <del>9</del> 9	20.57				
YEN	3.766	6.493		1000.	36.61	9.183	1225	7989	7.608	223.9				
F Fr.	1.029	1.774	2973	273.1	10.	2.508	3.347	2182	2.078	61 16				
S Fr.	0.410	0.707	1,185	108.9	3.987	1	1.334	870.0	0.829	24.38				
H FI.	0.307	0.530	0.888	81.62	2,988	0.749	1534	652.0	0.621	18.25				
Lira	0.471	0.813	1.363	125.2	4,583	1.149		1000.	0.952	28.03				
	-	<del></del> -		<del></del>			<del></del>		<del> </del> -					

	Đ	CHA	NGE	CRC	)SS I	RATE	\$			FT-SE 180 ROPEX S25 are full letter mint
	5	DM	Yes	F Fr.	S Fr.	H FL	i, jez	C 5	B Fr.	Close High Low Pres Jan 2395.0 2408.0 2385.0 2390.0
80	1.724 1	2.890 1.676	265.5 154.0	9.720 5.638	2.438 1.414	3.253 1.887	2121 1230	2.020 1.172	59.45 34.48	Dec 2502.0 2497.1
46 66	0.597 6.493	1 10.89	91.87 1000.	3.363 36.61	0.844 9.183	1126 12.25	733.9 7989	0,6 <del>9</del> 9 7.608	20.57 223.9	Estimated volume 5070 (5876) Previous day's open inc. 28545 (28618)
29 110	1.774 0.707	2973 1.185	273.1 108.9	10. 3.987	2.508 1	3.347 1.334	2182 870.0	2.078 0.829	61_16 24.38	PRUND-S (FOREIGN EXCHANGE)
07 71	0.530 0.813	0.888 1.363	81.62 125.2	2.988 4.583	0.749 1.149	1 1534	652.0 1000.	0.621 0.952	18.28 28.03	Spot 1-mth 3-mth 6-mth 12-mth 1.7240 1.7146 1.6964 1.6723 1.632
95	0.853	1.431	131.4	4.812	1.207	1.610 5.472	1050 3568	1	29.43	MMI-STERLING Se per É
82 read	2.900 Fr. per 2	4,861 O: 1 km m	446.6	16.35 Beloke F	4.101 r. per 100		3568	3.398	100.	Lenes High Low Pres See 1.6934 1.6942 1.6922 1.697 Jul 1.6698 1.6698 1.6680 1.672
-										

## FT LONDON INTERBANK FIXING (11.00 a.m. June 20) 3 months US dollars 4 months US Dollars offer 8½

THREE MONTH STERLING

Close 85,00 85,49 86,74 86,74 87,80 88,12

91.56 91.56 91.56 91.41 91.09 91.97

90.97

91.41 91.13 91.05 91.04

29.70 89.69 89.70 89.65 89.73 89.71

nated volume 75 (43) loss day's open (st., 2398) (2387)

	N	IONE)	/ RAT	ES									
NEW YORK Treasury Bills and Bonds													
Clumchtime    Greenmath   7.56   Three year   8.41													
June 20	Oversight.	Ûtje Mantin	Two Mostles	Three Months	Stx Moeths	Lombard Intervention							
Prankfart Parls Parls Zurkch Amsterdage Tolopo Millan Brissoek Debüln	7.80-7.90 91-91 81-85 7.35-7.50 71-78 11-111 9.25 111-111	7,858.00 919-91 814-9 8,10-8,20 72-71 114-114 94-91 114-114	11-114	815830 104-104 814-9 826836 714-71 114-114 95-98 108-114	8.40-8.55 - - 101 <sub>4</sub> -11	8.00 9.50 - - - -							

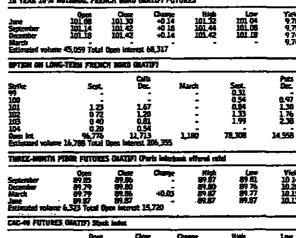
LONDON MONEY RATES									
Jun 20	Overnight	7 days notice	One Month	Three Months	Six Months	One			
Interbank Offer Interbank Bid Sherling CDs Local Authority Depr Local Authority Bends Discount Mitt Deps Company Deposits Treasory Bills (Buy) Bank Bills (Buy) Bolls (Buy) Dollar CDs SDR Linked Dep. Bid ECU Linked Dep. Bid ECU Linked Dep. Offer ECU Linked Dep. Offer ECU Linked Dep. Offer	154 5 14% 14%	14% 14% 14% 149	1450H 1450H 1450H 1451H	1574441 1444	157444 14414 155 - Heald Addison	141444 1444 1444 1444 1444 1444 1444 1			

Treasury Bills (sell); one-month 141 per cent; three months 143 per cent; Bank Bills (sell); one-month 143 per cent; three months 143 per cent; Bank Bills (sell); one-month 143 per cent; three months 143 per cent; Treasury Bills; Average tender rate of discount 14 3572 p.c. ECGD Fraed Rate Sterling Export Fluance. Make up day May 31, 1990 Agreed rates for period clane 26, 1990 to 149 24, 1990, Scheme: 15,91 p.c. Schemes II & III: 16.44 p.c. Reference rate for period May 1, 1990 to May 31, 1990, Scheme IV&V: 15 201 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from June 1, 1990. Bank Deposit Rates for sams at seven days oncice 4 per cent. Certificates of Tax Deposit Scries 6); Deposit E100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; Under £100,000 11½ per cent from Oct 9,1989, Deposits withdrawn for cash 5 per cent.

# FINANCIAL FUTURES AND OPTIONS

EIFFE LONG GRET FUTURES OFFICES ESG, DOS 64ths of 180%				LIFTE OF TREASURY NAME FUTURES OFTENS SINGING 64th of 180°.					LIFFE BOND FUTURES OFTENS BAZZSO, 880 pelals of 18872					
Strike	Criterat	tienests		i met	Strike	California	perents	Pot-wil	الاصاحات	Strice		Christian III	Pata-pel	thener:
Price	Sen	Dec	Sep 0-41 0-59 1-19	Dec 1-11	Price	Sta	Dec 4-17	5er 0-18	3€ 0-55	Pret	500 7 37	Dec	Sep	Drc 0.98
. 33	3-99	5-01 4-23	0-41	1-11	99	4-00	417 337	0-33 0-31	0-35 1-11	8050 8100	1.99	2.76 2.44	0 45 0 57	116
23 84 85 86 87	3-03 3-03 2-27	깶	1.19	1-31	90 91 92	3-13 2-29	241	047	1.11 1.35 1.43 2.32	8100 8156	165	Ž.M	65	进
, %	1.51	3-16 3-10	1-65	2-20 2-51	93	1.51	2-25	0-47 1-05	143	8290		1.56	0.92	140
87	1-53 1-26	2-41 2-13	2-18	2-51	94	1-15	2-61 2-25 1-58 1-17	1.33	2-32	8250	128	1.64	1 14	213
88 89	1-02	2.13	2-56	3-23	95	<u> </u>	1-32 1-10	2-07	3-06 3-46	8300 8350	0 55 0 66	141 121	143 174	213
22	1-02 0-47 0-33	1-52 1-30	2.15 2.56 3.39 4.25	323 342 440	93 94 95 96	1-15 0-53 0-73 0-29	0-56	2-51 3-35	<b>3</b>	8400	833	123	2.03	243
90 0-33 1-30 4-25 4-40 Estimated volume total, Calis 2408 Parts 1191 Previous day's open lat. Calis 17062 Parts 13677				Estimate	phys cher eq a septure con a septure con	ai Ealls I	DI Puts C		Eximated	splane to		906 Pats	1265	
	POMAIN ints of 180				CLEFFE CURROCLLAR SPINING				LIFFE SHORT STERLING OFTENSS ESGI, DOS paints of 1,09%					
Strike	Californi	tiements	Pats-set	Lements.	Strike	Calls-set	konti	Pots-183	Jeres.	Surite	Calls-se	Theresia.	Parks and	tienest:
Price	Sen	Des	Sea	Dec	Price	Sea	Dec.	Sep	Dec	Price	هوار	Sep 1.27	فول	Sep 0.03
9050	100	0.78	0.01	D 18	9075	כיינו	0 93	- 8	0 Cb	8625	0.75 0.50	1.27	Đ	9.03
9975	0.76	0.59	0.02	0 lb	9100	071	0.72	0 CL 0 C4	0.10 0.16	5450 6475	625	1 03 0 88	Q	006 006
9100 9125	0.54 0.34	0.42 0.25	0 05 0.10	0.24 0.35	9125 9154	0.49 0.30	0 53 0 35	619	ŏ23	8500	42	0.57	8	0.00
9150	017	0.22	9 18	0.50	9175	0.14	0 23	0.19	ŏ 36	8525	ŏ	0.40	ດສັ	016
9175	ÖŒ	0.11	ă 34	9.66 0 86 1.19	9200	ÕÕ	023 013	0.36	0.36 0.51	8550	ā	0.25	0.50 0.50 0.70	0.1b 0.27 0.42
9200	0.03	Ø 06	0.34 0.54 0.77	0 86	9225	ġœ≥	0 57	0 57	9.79	2575	9	0.16	0.75	0.42
9225	0.01	0.03	0 <i>.</i> 77	1.19	9250	0	0.03	û <b>80</b>	0 9I	8600	9	0.09	100	0 ↔0
Estimated Product d	Yokute (o ay's opes in	tal, Calls ( 4. Calls 75	525 Paris 5 11 Paris 79	29	Estimated volume total Cuits 250 Plas D Previous day's open las. Cuits 3949 Plas 806				Estimated volume total, Calls 3958 Parts 2762 Previous day's open bit. Calls 73517 Parts 68568					
LONDO	ON GLI	TE)			CHICA	reo								
20-YEAR 9% NOTENAL ED.T ESO,000 32ms of 150%					U.S. TREASURY BOOKS (CST) 8% \$184,000 \$2nds of 186%				JUPANESE YEN ONDO Y12.5e S per Y199					
	0ge 85-16	Kigb 64-20	بين <u>ا</u> 94-25	Prev.		1.30E 94-0	3 944	93-2 93-1	93-30	Seo	يندن کارک	H 065	0,650	5 09
Jos Seo	B6-04	25-08	54-31	84-06 84-24 85-15	Just Sep Dec	93-2		93-6	97-16	Dec	0.45	19 0452	5 0.651 5 0.651	9 06
Dec	85-27		•	85-15	Dec	~~	. 411	93.1	95-09	Har	-			- 08
					K.				93-02					
Extended	10 lane 26		<u>u</u>		J <del>us</del>				- 92-27					
Previous d	ay's open i	<b>SL 33276</b>	3276/N		Sep	92-1	7 92-1	92-13	7 92-20 - 92-13		Z MARK O	-		
	-				Sep Dec May		•		92.07		E MARK U			
	URY SOM				Jap				92-01					
24445044					Jun Sep				- 92-27	Sea	(a) 959		5 6594	- P
	Clese	High 94-04	Pt-04	गेतर.	-					Dec	337			3 05 8 05 - 05
Jigal Sep	94-02	93-27	93-14	43-30 82-30						Mar.				- 09
Dec Dec	91.23	15-67	7,714	93-30 93-20 93-11	IIS TOP	ASTURY BELL	T MIND							
				7-		5 ef 100%	ىبس د							
Estimated	votame 21. Ly's Open i	72 (ZZZZS)	LOLTO			Late	- 4		Prev.	THEFE-		996LUZ (	unii	
PICTIONS OF	ed > obta i	E 6105 A			Jox	92.2	7 97 2	92.27		Sim point	S of 100%			
6% MOTE	MAL CER	TATA COLVI	. 2000		Sep Dec Mar	92.4	b 92.44	92.43	2 0724		Late	SI Yio	قا	- 2
BN250,80	9 198bs :	1 100%			Dec	924	924	92.4	92.45	Sea	91.7	71 917	916	,7 91
	Class	High	Low	Prev	Jue.		: :	: :	92.45 92.48 92.35	Dec Mar	91.0 91.1	BO 41 B	1 71.5	8 91 6 91
Sep	82.62 82.29	82.48	82.01	22.02						Jye	47	91 91 5 Q 91 0	8 915 3 914	i 91
Dec	82.29	82.28	81.90	82.84						Seo	92.	27 9LJ	91.2	श्र का
Estimated	where 24	519 (7144	<b>6</b>							Dec	91.	4 91.1	911	3 91
	DA 2 CORES P									War .	91.3	10 91.1	91.0	B 91
												596 Disa	X	
					SWISS F					5300 the	s intex			
18. 677	OSIAL LOS	TERM A	1941675	COVIL.	397 125,	100 S per 51					واليا	St. His	t 15	er P
BOOK YIE	Mar 1005	1100				والا	1 High		Per	Sep	364.	90 364.4	363.7	0 363
			Low	Prez.	Sep Dec	0.705 0.704	1 0.7064 7 0.7064	0.7050	0.7090 0.7088	Sey Dec Mar	369,	50 364 9 50 369 4 50 373.0	368.2	0 363 5 368 - 372
See	95.19 91.69	1164 95.25	95 DB		Mar Mar	0.704	. 0.7000	0.7070		N.Z.		- 5/3.0	9	- 312
Sep Dec	9540		44	5.5	je -									
		220												
	TOURNE (SI TOURNE (SI)	n 767 (7	173		PHILADE	LPHIA SE C	2 OF THEM	5						
Albump 6	-, • =	141 17			531,Z50 (	insis per O	,							

					Latest.	light Lo	e Pres
Sep Dec Mar Jun	Latest 0.7051 0 0.7047 0	1.7064 0.7 1.7968 0.7	Der Prev 050 0 7090 047 0 7088 070 0 7096	Sep Dec Mar	364.50 364.9 5 369.25 369.4		0 363 60 5 368 39 - 372 30
MILABELPH C31,250 (car	B PH 다.	ZHORT					
Strile Price 1589 1575 1600 1625 1650 1675 1700 Previous day:	14.10 14.10 14.10 12.00 9.10 6.70 4.20 2.25 s aper int: Cal	Caris Asse 16.60 34.10 12.00 9.10 6.70 4.34 2.66 6s. 260.207 8 34,338 P	16.80 16 14.30 14 12.00 12 9.30 9 6.80 6 4.67 5	Dec Jul 60 - 10 - 20 - 20 - 25 - 24 - 24 - 25 - 24 - 25 - 28	0.06 0.22	Sep 0.05 0.13 0.38 0.74 1.32 2.09 3.25	Dec 0.77 1.72 1.74 2.53 3.44 4.62 6.02
IR YEAR IS	% INSTRUME	FRENCH SE	NO GLATEFI FO	TURES			
June September December	090 101.0 101.1 101.1	Cx 101 101 101	22 +0 14 23 +0 14	101.12 101.44	101 04 101 08 101 18	Yield 9.76 9.75 9.74	Open to 10.867 49.719 6.224



## BASE LENDING RATES

RR Bank 15 Counts & Co 15 Bordary 15 Counts & Co 15 Bordary 15 Counts & Co 15 Bordary 15 Counts Bank PtC 15 Bordar Bank 15 Dunbar Bank PtC 15 Dunbar Bank PtC 15 Dunbar Bank PtC 15 Dunbar Bank 15 First Rational Bank PtC 16 Roothery Bank 15 Bordar 15 Rabert Fraser & Ptans 15 Bordar O'Content 15 Bank 15 First Rational Bank PtC 15 Bank Credit & Comm 15 Rabert Fraser & Ptans 15 Bank 15 Standard Countered 15 Bank Credit & Comm 15 Bank 15 Girobank 15 Bank 15	B	A3	E LENVING	H	AIES	
rorm Skipley	BR Bask dam & Company lifed Trust Bask lifed frish Bask eary Asshacker spociates Cap Corp & C Merchat Bask ank of Baroka ank of Baroka ank Office Comm ank of Cypres ank of Ureland ank of Cypres ank of Ireland ank of Scotland	***************************************	Cyrus Popular Bit Dundar Bank PLC Dundar Lawrie Equatorial Bank pic Exerter Trest Ltd Fisancial & Gen. Bank First Rational Bank Pic. Robert Fleming & Co. Barbert Fleming & Co. Berrichard Gelimbers Machine HFC Bank pic. Hamphire Trest Pic. Heritable & Gen law Bank Bill Sampel.	**5555555555555555555555555555555555555	Hat Westminster Horstern Bank Ltd Hyberist Mortgage Bank Provincial Bank PLC Routwijke G'rantre Royal Bis of Scattland United Bis of Newval United Micrails Bank United Micrails Bank United Micrails Bank United Micrails Bank Western Trust Western Trust Western Trust Whitenamy Laislaw Whitenamy Laislaw Whitenamy Laislaw	15 15 15 15 15 15 15 15 15 15 15 15 15 1
	ank of India ank of Scotland ank of Scotland anguer Belge Lind anciags Bank suchmark Bank PLC rift Bk of Mid East room Shighey Bank Rederland antherhouse Bank tilhank KA ty Merchants Bank ty Merchants Bank ty Merchants Bank annu Bk of London Ple	55555555555555555555555555555555555555	HFC Bank plc  Hambros Bank  Hampshire Trast Pic  Heritable & Gen law Balk  Elli Sameel  C. Hoare & Co.  Homptoney & Skamph  Leopold Joseph & Sons  Lloyds Bank  Meghraj Bank Ltd  BecBossell Oorglas Bulk  Middand Bank  Middand Bank	555% 555555555555555555555555555555555	United Miterahi Basek Unity Treet Basek Pic Western Treet Western Treet Western Basek Corp. Whitesway Laidiaw Yorkshire Basek  Members of British Meet Banking & Securities Hor Association. **Deposit now 5: Samenic R.5%. Top Tier-E50,0 Instant access 13.7%. & Moret hose rate. **Demand deposit 4	15 15 15 15 15 15 15 15 15 15 15 15 15 1

SCI TECH S.A. SICAY 2. boulevard Royal L-2953 Luxembourg

R.C. Luxembourg B - 20058

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

iden of SCI TECH S.A. will be held at the head office of Banque tale a Lunambourg, Sociéte Azonyma, 2, boulevard Royal, L-2953 ng, on Fridny, June 29, 1990 at 3.00 p.m. with the following agenda

1. Submission of the reports of the Bourd of Directors and of the Andrews

Approval of the Statement of Net Assets and of the Statement of Opera March 31, 1990;

3. Appropriation of not results; sarge of the Directors and of the A of duties for the year ended March 31, 1990;

CommuSk of Lordon Pic Co-operative Bank

The simucholders are advised that no quowin is required for the items on the ageods of the Assural General meeting and that decisions will be taken on a simple majority

in order to attend the mosting of June 29, 1990 the owners of beaner shows will be k their shams FIVE clear days before the most any or with one of the following beniss:

BANQUE INTERNATIONALE 2, bouleverd Royal 2953 LUXEMBOURG

BANK MEES & HOPENLY. NL - 1017 CG AMSTERDAM

LOMBARD ODJER & CIE 11, roe de la Constede CH-1204 GENEVE



CA1. Futures 1.rd Window House 50 Victoria Street London SW 1H ONW TIME TO BUY GOLD? Tel: 071-799 2233 Fax: 071-799 1321

The Board of Directors

SPONSORED SECURITIES

343 280 85 bit lie bei wer 10 3 37 75 38 19 Annitopeart Program. 210 135 Barbe Gram SCI . 4.7 59 210 14.7 44.1 76 203 176 163 CCI Group LIT's Corn Pref . 225 140 Carro Pre SE: 110 109 Carro Pref SE: 7.5 0 125 "Macrae Go Non-Votings Com 0 175 7.5 0 125 "Macrae Go Non-Votings Com 0 125 30 137 345 130 77 47 158 98 Rosen Jersen 467 320 Scrutton 323 160+1 63 89 58 11 55 70 O (K 22.0 332 278 W.S.Textis.

Security designated CEV and "USM" are dealth to take the night and neglighted of the properties to the properties of the second of the second of the second of the SEC Other recording I steel where are should be addressed to the end-of SEC Other recorded I start to the second of the These securities are dealt on a restricted basis. Further details autiliable

Independent Compositorio Santa Cantal Committe Daniel Lindge Tallana Marris Lorolani (1944) To Man of Street Land of Childs. Teleproper Co. 455 (191) Tible begind the com-ATE & Fred to taken Market Allek

**FUTURES AND OPTIONS TRADING ADVISERS** We are seeking successful futures trading advisers with establish track records, particularly those trading non- US markets.

David Elkat, Director, Credit Lyannas Rosse Liest
1, St Katherines' Way, London E! 9UN
A marker of the TSA and ASSO



0 6510 0 6502 0 6532 0 6526 0 6519 0 6547 0 6526 0 6519 0 6547

0.5965 0.5933 0.5985 0.5963 0.5938 0.5980 0.5963 0.5938 0.5980

0.97 1.30 1.76 2.38

10.13 10.20 10.14 10.14

3,900

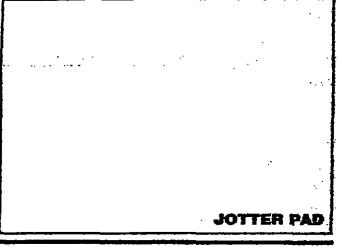
Open fet 11,046 3,775 899 0

11 GROSVENOR GARDENS, LONDON SWIW OBC Tel: 071-828 7233 AFBD member FTSE 100 WALL STREET June. 2389/2399 -1 | July. 2910/2922 +5 Sept. 2452/2362 -1 | Sept. 2929/2941 +7 5pm Prices. Change from previous 9pm close

## PUBLIC WORKS LOAN BOARD RATES Effective June 20

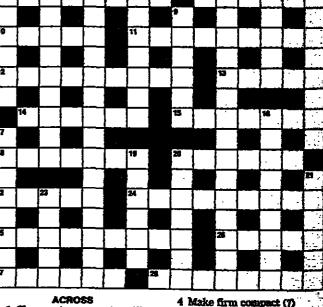
Baranta item K raffi			
491	-		
	1472		
145	· 14 ~		
143	1312		
14	13 4		
13 %	13 %		
ين 13	123		
13	124		
123	12 7		
12%	12 %		
12 4	1212		
12 12	12 -		
115	11%		
115	11-		

loans A. Equal installments of principal. If Repayment by half-ye annuity (fixed equal half-yearly payments to include principal il). § With half-yearly payments of interest only.



# **CROSSWORD**

No.7,269 Set by FETTLER



**ACROSS** Changes to new vectors (8) 5 Glove with five fingers miss-ing? Here's German with

ten (6) 10 Due opinion? (5)

11 The crowd in shutting her in (9)
12 Spirit in double measure is

needed to provide cheer (9)
18 Near a sporting venue (5)
14 Court retreat is rather dull (6)
15 Divine is about to draw out;

that's what is inferred (7)
18 Primitive craft? Gosh! lace

18 Primitive craft? Gosh! lace is involved (7)
20 Chap GIA conditioned is raving mad (5)
22 Allow to let in (5)
24 Marriage portion women tend to organise (9)
25 Soil, being misused, left begragged (9)

gared (9) 26 One-time lord's Belgian flef?

(5)
27 Need CO encipher? (6)
28 Coppers, hanging about, half resent being there (8) DOWN 1 Stir porridge and it's less

2 Broken rib: enough for the one next door . . . . (9) 8, 6 ... each one having WISE men, differently ordered (7,8,7,3,5)

SUGNEL WELLENGE E G G G AVERTE SCHEGES ELROLT MERITICAL O S C NOC C C S NEEDED C E R SOCKES E R

6 See 3
7 Extended family, sending

bote about the wife (5)

They give grudgingly pour gradings (8)

Doesn't pickled mean

stirred for one who's lichic

Scratch game (3)
Questionably green, 941
starting to produce power

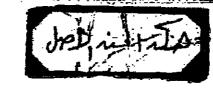
(6) 20 May ride, curiously, in July

(3-4) 21 Wisdom personified to list

then entity (6) 23 One doctoring 500 mics (5)

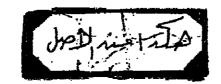
Solution to Prazie No.7,268

soused? (6) 16 Tea (English) with len



COTES

SH EN



WORLD STOCK MARKETS								
AOSTRIA Jame 20 Seh + or - Austrian Airlines	FRANCE (coatinged)  Jane 20 Frs. + 07	GERMANY (continued)	_ ITALY (continued)	SWEDEN	CANADA			
June 20   Seli   + or	Denis   Deni	Justic 20   Bots.   + 67	ITALY	June 20   Kredes + or =	Sales Stack High Law Close Chang States			
Do. AFV	Section   Sect	Rhole West Elect	MORWAY  Jame 20 Kroser + or -	Do (General				
DEMHARK Just 28 Kr + er -	Midul Cicle   1.256   -2.6	Schwaffect-Lph     251   +1	Aker (Free) 134.00 -1 8ergesen A 215.00 +5 Ch'stissila Bk Free 159.00 +4 Den sorste Bank 137.50 +2.5 Dyn Int. 153.00 +3 Eltern (Free) 271.00 -14	Schinder (Br)	INDICES  NEW YORK  June June June June 1 1990			
Jane 28	Perust Ricard	Trail   Trai	Halfol Hyro A Free	Setticist	DOW JONES June   June   June   June   1990   Since compliation   19   18   15   HiGH   LOW   High			
Content   Cont	Thompse (CSP)   121   127   128	Flots	Hidroid Catatab.   1,760   1	First, Raff, Eacht 30 First State Cours Gold . 29.1	June 15   June 8   Mary 25   year ago (approx.)   JAPAN   Illiar ILDAY-1948   3.67   3.71   4.01   3.59   June 13   June 6   Mary 30   year ago (approx.)   Zeb 20			
Aischone Brake 990	Japa S Saktery	Hilms Carp.   1,6,10   1,6,1	Talacalimates	Maryer Michies   51.2 - 4.0.6     Marail Manari   2.30 + 40.02     Marail Manari   2.30 + 40.02     Marail Manari   2.30 + 40.05     Marail Manari   2.30 + 40.05     Marail Manari   2.30 + 40.05     Marail Manari   2.42     Marail Manari   2.43     Marail Manari   2.45     Marail Marail Manari   2.45     Marail Manari	TORONTO June June June June 1990  19 18 15 14 HIGH LOW Metals & Minerals SIEL.00 3183.20 3217.70 3229.20 3453.05 (4)10 2553.05 (4)11 2550.80 (23/4) Metals & Minerals Siel.00 3183.20 3217.70 3229.20 3453.05 (4)10 2550.80 (23/4) MONTREAL Purticile 1823.84 1822 66 1856.40 1959.94 2660.90 D/ID 1720.25 (27/4) MONTREAL Purticile 1823.84 1822 66 1856.40 1959.94 2660.90 D/ID 1720.25 (27/4) Base values of all ledices are 100 except NYSE All Common—50: Standard and Poor's —10; and Toronto Composite and Metals —1000, Toronto Indices based 1975 and Montreal Purticile 4/1/4 S3. 1 Excitating boads.3 Industrial, plas I/Lilities, Financial and Transportation. (c) Closed. (u) Unsereliable. 1 Correction.			
Critina Salet	Kotto Mig	Rights   V   34,500   4800   1800	Torsy	Traveling by air on business?  Stocks Closing Change Traded Prices on day 17.0 1,940 + 10 Tellooku Tsushin. 6.1m 1,500 + 190 Algoen Bulson 7.5m 280 23 Algoen Bulson 90 3 Nippon State 5.5m 1,520 + 10 Mining 6.5m 980 3 Nippon State 5.5m 557 + 1 Delbau 8.4m 2,820 + 150 Toyots Motor 5.2m 2,880 + 100 With British Airways International, Fixassavia, TWA 1 ROTTERDAM with Fixair, NLM  ROTTERDAM with Fixair, NLM  EINDHOVEN FINANCIAL TIMES 1 ROTTERDAM with KLM, NLM  FINANCIAL TIMES 1 ROTTERDAM With KLM, NLM				
Dara	Marul	Penta Ocean Con	Watered	HK   Electric   1.00   40.3     HK   East   40.3     HK   East   40.3     HK   East   40.3     HK   East   40.4     HK   Sharpital   East   4.85   -0.05     HK   Sharpital   10.9   -0.02     HK   East   10.9   -0.02     HK   East   10.9   -0.02     HK   East   10.9   -0.02     HK   East   10.9   -0.02     Lardian Sharb   10.79   -0.1     Harbitan Sharb   10.79   -0.1     HK   HK   10.79   -0.1     HK	AIRPORTS & AIRCRAFT HANDLING  The Financial Times proposes to publish this survey on:			
Genze 1,070 -10  Hankyu Corp. 964 -6  Hankiu El Raji 805 +5		Sebu Raffery	June 20 Auct5 + er - AFP 1.74 +0.04 AWA 0.58 -0.06 Abertode 5.06 +0.06 Adetable Steams 5.34 +0.04	Winstor last 8.15 -0.05 Wherlot last Hilder 4.35	3rd July 1990			
Nation   Selico   5,200   +200	# beid Paper	Sekhai House	AWA 0.58 Abrioyle 5.06 Adelaide Steams 5.34 Amoral Expl 226 Amoral Expl 226 Amoral 5.00 Anistr 1.66 0.04	MALAYSIA June 20 MYR + ar -	For a full editorial synopsis and advertisement details, please contact:			
Gatte   1,500   10   Gatte   1,670   10   Harlys Carp.   964   6   Hacelin   Elail   805   -5   Nacelo   1,200   -40   Nation Selato   5,200   -200   Hazan-Gara   1,900   -10   Hobs Rail Est   1,990   -10   House Electric   6,830   +140   Hingsless (Bank)   1,040   -20   Hingsless (Bank)   1,040   -20   Hingsless (Bank)   1,500   -10   Hingsless (Bank)   1,500   -10   Hingsless (Bank)   1,500   -10   Hingsless (Bank)   1,500   -30   Hingsless (Bank)   1,500   Hingsless (Bank)   1,500   -30   Hingsless (Bank)   1,500   -30	40 tsui Ds.   995   16   16   16   16   16   16   16   1	Salonogi	ANC Group 4.82 Anst. Siz Light 1.82 Anst. Siz Light 1.99 -0.01 Anst. Siz Light 1.99 -0.01 Anst. Siz Light 1.99 -0.01 Anst. Siz Light 1.99 -0.03	Roustend Hidgs	Ian-Ely Corbett			
Hisachi Mesati 3,210 -30 Hisachi Mesati 1,540 -10 Hisachi Mesati 1,540 -10 Hisachi Zotes 1,060 -40	Mitcal Petchem 1,300 -20 Mitcal Real Estate 1,900 -20 Mitcal Taylo Kobe 2,250 +40 Mitcal Taylo Kobe 1,250 -17 Mitcal Taylo Kobe 1,250 -10 Mitcal Wardne 1,250 -10	Shora Device	SHP Gold	Medit   Purpose	on 071-873 3389			
1,200   44	Misselecti	Servi Read Milk 1.030 -20	SHF Oots	SINGAPORE  Just 20 SS + or -	or write to him at:			
Nonzia 1746 Nonzia Paper 2,430 +80 Nonzia Paper 2,430 +80 Nonzia Fondi Ind 2,280 +30 Nonzia 1,070 +10 Nonzia Dizentral 1,090 +00 Nonzia 1,090 +40		Stary	AFP 1.74 +0.04 AWA 0.58 AWA 0.58 AWA 0.58 Alber fugle 5.06 +0.06 Adecide Strains 1.34 +0.04 American 2.26 American 1.66 -0.04 American 1.66 -0.04 AMZ Gener 1.62 AMZ Gener	Cold Storage	Number One Southwark Bridge			
1,760 -20   1,760   -20	NEC	Sumitomo Corp	Call Affel Ind	Did Starage	London SEI 9HL			
	MOK Corp. 955 -5 NTN Toyo Brg 955 -5 Nachi Fullinsid 4,730 +230 Nagaziriya 1290 -36	Sumitorio Marior	Doutlaice Mag	Strates Trading	FINANCIAL TIMES			
1330 450	National House 960	TOK 6,750 480 Taksi Corp 1,350 +10 Taksin Marine 1,060 -20	Gen Press Treat	NOTES — Priess on this page are as quoted on the individual exchanges and are lost unded priess to semeliable. If Doubleys supposted, or Doubless to Service and Priess and Priess as Er all.	- Chent 2 whent is an about 2			
JEC Lors. 2,740 +40 JEO 1 1,490 +10 Jacoms See Mack 4,900 +200 JAL 18,100 120 Jacoms Belais 1,720 +50	Nichite    1,090	Takio Platrii 2340 -10 Takio Fishery 720 -15	107 April 4.57 +0.05 Jeachers Grap 1.73	) and has defineded. No has sering letter, we had righted. The has had been all the sering letters.				

1

12 Months

| Sept | Low | Shock | Dir. | Year | 100mHolph | Low | Chook | Close | Clos 254 | 335 | AshOul | 1 | 27 | 74 | 89 | 395 | 355 | 355 | 101 | 6 | 6 | Assetment | 175 | 22 | 9 | 15 | 135 | 135 | 15 | 15 | 101 | 6 | 6 | Assetment | 175 | 22 | 9 | 15 | 135 | 135 | 135 | 14 | 101 | 6 | 6 | Assetment | 175 | 22 | 9 | 15 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 |

Chige Close Prev. Quata Glose 4½ - ½ 5% 1g = 1-16 P/ Stu E 150ml 241 419 50 9 268 6 229 1 968 1 19 9 1 519 2 120 1 7 1801 7 Control of the contro 37<sup>1</sup>4 203<sup>5</sup>8 + 2<sup>1</sup>4 + 11<sup>1</sup>8 -

12 Month
Hoth Low Stock Dr.
Hoth Low Stock Dr.
Hoth Low Stock Dr.
11 10 Dostat
11 12 Dostat
12 Dostat
13 12 Dostat
13 12 Dostat
13 12 Dostat
13 12 Dostat
14 Dostat
14 Dostat
14 Dostat
14 Dostat
14 Dostat
15 Dostat 64 64 41 5 FAI In .51a 311 FMC 9 FMC Gd 050 2512 FPL Gp 2.36 124 FebCtr 0214 FebCtr 224, Ferre pt. 60
2 14, Ferre pt. 60
2 14, Ferre pt. 60
2 17, Ferre pt. 60
2 18, Ferte pt. 60
2 18, Ferre pt | Solution | Solution

12 Month

12 Month

13 May Cales 1.55

14 May Cales 1.55

15 May Cales 1.55

15 May Cales 1.55

16 May Cales 1.55

17 May Cales 1.55

18 May Cales Channel Control of the second 10 - 4 7 74 - 2 1 25 - 4 2 25 - 5 2 12 + 2 2 12 + 2 2 15 + 2 2 15 + 2 2 15 + 3 1 15 + 3 1 15 + 3 1 15 + 4 283 87 101 231 11 1

Concess Property Concess Property Concess Property Concess Con 72 Menth

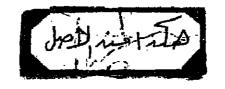
19th Leve Short: Dh

19th 15 yet 17 of 8

19th 15 yet 17 of 9

19th 15 yet 17 of 9 を 100 円 10 11. MARCH
11. MARSF
12. MARSF
12. MARSF
12. MACH 2 EE
12. MACH 2 EE
12. MACH 1 1.51
12. MACH 1 1.52
12. MACH 1 1.52
12. MACH 1 1.52
12. MACH 1 1.55
12. MACH 1 Party of the second of the sec 3.1 10 965 324 215 22 10 52 35 4 75 2 15 53 16 75 2 15 53 16 75 2 15 53 16 75 2 15 53 16 75 2 15 53 16 75 2 15 53 16 75 2 15 16 75 1 

The second of th COMMON CO 日本の本のの 日本 かんのかんかん ۲. TO THE STATE OF TH 27 APPROXIMATE AND ADDRESS OF SAME AND ADDRESS 



**COMPOSITE PRICES** 265<sub>9</sub> 161<sub>2</sub> SystCt 4 134, 4 13 tq 30 tq 50 tq 51 tq 55 tq 40 tq 37 tq 9 tq 20 tq 25 tq

814 RoyiD 3.85e 5.1 82 Royint 20s 1.9 82 Royint 20s 1.9 82 Royes 52a 5.5 294 Russid .52 1.3 134 Russid .20 2.0 20 Russid .32 1.3 175 Ryder .60 2.76 154 Ryder .60 3.2 ( 84 Rymer .50 3.2 ( 84 Rymer .51.17 13.5 34 305eo 256 5.1 12 5344 1.9 14 109 5.5 116 1.3 25 394 2.8 15 3 2.0 18 1.3 16 167 2.7 65 1612 3.2 6 189 4 13. 4 5.5.5.3.4 

Sep 2-56 6.7 10 777

FR U 20 20 13 17 7

Titles 1.29 3.5 15 4 4 1

Cp 1 3.4 6 5 5 1 1

Titles 1.30 3.5 15 4 1

Cp 1 3.4 6 5 5 1 1

Titles 1.30 3.5 15 4 1

Titles 1.30 3.5 15 5 4 1

Titles 1.30 3.5 15 1 1

Titles 1.30 3.5 15 5 4 1

Titles 1.30 3.5 15 5 1

Titles 1.30 3.5 15 1

Titles 1.30 3.5 1 1

Titles 1.30

| 2-7-421063516 | 27-645 | 27-645 | 27-645 | 27-645 | 27-645 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-655 | 27-8.1 30 44 4.1 6 1534 50. 7 82 10 1955 16 449 15 14 154 19 1055 11 154 15 10 155 12 15 300 7 4.5 70 554 2.2 12 300 12 15 300 12 

315 LEST 148
441 USburs
114 Usburs
115 Usbur 

25 WFC P 1 134 Wall P 25 William 1 20 21 134 Wall P 25 William 1 20 21 134 Wall P 25 William 1 20 21 134 Wall P 25 William 1 25 Wall P 2

14.18 77 14.18 17.19 17.

## COMPOSITE PRICES

Stocker
Stocker
Continue
Corror g
Cross
CrnCP
Crops
Cubt
Cuctom
Ducote
Duplex
Earth Co
Estign
Etholy
Echter
Full
Grint
G Stock Orv ATAE ATAE ATT F02.A1e Action Author Allina Albeitar Alphain Allinadi .10 Allinadi .27e Batto .56e Batto .56e Batto .27e Ba .76 .56 .90e .07 .18 20 49 .16

It's attention to detail that makes a great hotel chain, like providing the Financial Times to business clients.

Complimentary copies of the Financial Times are available to guests staying at the Novotel Montfleury in Cannes, Novotel Les Halles Paris and Nice Acropolis.

FINANCIAL TIMES

novotel

# **NASDAQ NATIONAL MARKET**

\text{\tex{

| The state of the

Britary
Britar

Gushai a 22
Gushai 3, 5
Gushai 3, 6
Handia 4, 6
Handia 1, 7
Handia 2, 6
Handia 1, 7
Handia

\$\\ \text{State \t

Raubti Ra Research 1.20
NewGCI 34
NewGCI 34
NewGCI 34
NewGCI 34
NewGCI 35
Ne

20Cnin 54
TycoTy wf
USF Cp 83
USF Cp 83
USF Cp 83
USF Cp 83
USF Cp 85
UCAGS 92
USF S 1 18
USF 1.52e .78 1.44

**Have your FT** hand delivered . . . at no extra charge, if you work in

MILANO — Centro Città ROMA — Centro Storico, Eur, Parioli TORINO -Centro Città For full details, please contact INTERCONTINENTAL S.r.l., MILANO Tel: (02) 688 7041

Tlx: 330467 Fax: (02) 688 1667

100 | High Low | Low | 100 | High Low | 100 | High Low | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100

Stock
Philip
Philip
Philip
Philip
Philip
Philip
Philip
Philip
Philip
Ragas
Ridde
Ridde
Salem
Solling
Ridde
Ridde
Salem
Solling
Ridde
Tudic

Some business travellers will change neither hotel nor newspaper. That's why they are particularly happy to find complimentary project of the Figure 2. mentary copies of the Financial Times at the following hotels in Cannes: Hotel Carlton, Novotel Montfleury.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

# Equities falter in repeat of Tuesday's volatility

**Wall Street** 

IN A REPEAT of Tuesday's performance, equities attempted to rally yesterday but then faltered and succumbed to fresh selling pres-sure, writes Janet Bush in New

At 2pm, the Dow Jones Industrial Average was quoted 13.86 lower at 2,879.70 in sluggish volume of 90m shares. In the first half hour of trading, the index had gained nearly 10 points but then dipped back towards midsession. On Tuesday, the Dow closed 11.38

Other indices were also lower yesterday with the broadly-based Standard & Poor's 500 index down 1.37 at midsession at 357.10 and the Nasdaq Composite index of over-the-counter stocks quoted 0.82 down at 459.71.

Since the sharp drop on Monday, the market has been drifting with little direction in low volume. On Monday, despite the large movement in prices, only 135m shares changed hands; Toesday's total was similar at 134m.

While the rally of May to mid-June has clearly stalled,

vincing downward correction. Technical indicators of the market's strength or otherwise have been deteriorating but this has not been translated into significant profit-taking.

This may partly be because there is some underlying demand from institutional portfolio managers, cutting the cash element of their portfolios in favour of equities before the end of the quarter.

However, some reality appears to have crept into the market. There has been a gradual re-focusing on corporate profitability, which is being groded by the deceleration of

Oil stocks were lower yester-day reflecting lower crude prices. Chevron dropped \$1% to \$69%, Mobil fell \$% to \$61% and Exxon dipped \$% to \$47%. Motorola added \$1 to \$86 after a federal court granted a stay of a lower court injunc-tion stopping the company from a selling one of its popu-

lar chips.
Consolidated Freightways fell \$1% to \$14 after the company said that it would sus-pend dividend payments because of provisions in a new credit facility.

\$% to \$39% after the Food and Drug Administration approved a testing kit to help doctors assess breast cancer patients. Binks Manufacturing jumped \$2 to \$41% on the American

Stock Exchange on takeover speculation. Among blue chips, IBM fell \$1 to \$117%. PepsiCo added \$4 to \$74%, Philip Morris slipped \$4 to \$43% and International

Paper dipped \$1/4 to \$53.

## Canada

THE COUNTRY's constitutional troubles kept investors at bay in Toronto yesterday, leaving stocks weaker in light trade. The composite index lost 6.1 to 3,523.0 at the opening, on volume of 4.49m shares. Declines led advances 139 to

Canada faces separatism in Quebec unless the constitutional accord is passed by all 10 provinces by Saturday. Campeau fell seven cents to C\$1.88 after reporting a loss of US\$39.59 a share. Stikine Resources gained C\$2 to C\$69
after Placer Dome said it has
acquired 45 per cent of the company and is extending its

# Pockets of activity enliven mixed bourse performance

THERE WERE more pockets of activity among the bourses yesterday, but an uncertain outlook in Milan and Frank-furt, in particular, produced a mixed performance, torites Our Markets Staff.
MILAN ended mixed as con-

cerns about possible labour unrest erased early gains. The Comit index fell 1.05 to 757.63. The market was unsettled by news that Italy's three main trade unions had called for a general strike in July after pay talks with Confindustria, the broke down on Tuesday. But some analysts played down the threat of industrial action, because, in their view, Italy's trade unions lacked cohesion and had still not regained their bargaining strength following humiliating defeats 10 years

Construction and insurance stocks continued to rise while the telecommunication sector succumbed to profit-taking. Generali put on L50 to L44,650, Italcamenti added L1,550 to 1.152,950 and Stet slipped L51 to

The banking sector was weakened by Mediobanca, which shed L300 to L21,000 on continued uncertainty about its future following the depar-ture of allies at the helms of Banca Commerciale Italiana and Credito Italiano, two lead-ing shareholders in Mediob-

FRANKFURT turned to market psychology, as a further 12.81 rise in the DAX brought the closing index to 1,849.55, up 4 per cent from its intraday low of 1,777.66 a week before; dealers wondered whether 1,850 was a level for profit-taking, or whether the 1,876.69 close of June 5 would be a more significant resistance

In London, Mr Nick Collings of SBCI observed that the market needed a lot more institu-tional investment buying before it broke over 1,900. Vol-ume yesterday eased from DM8bn to DM7.2bn. The FAZ index was 10.67

higher at 782.54. There was sec-

toral strength in motors, where BMW and Porsche rose DM11 and DM35 to DM580 and DM1,170; in constructions, where Hochtief and Holzmann put on DM30 and DM55, to DM1,425 and DM1,625; and in

DM28 to DM882, Karstadt DM15 to DM683 and Kaufhof DM12.80 Elsewhere, Siemens advanced DM430 to DM728.50 after announcing the listing of its shares in London.

retailing, where Douglas rose

THE BUDAPEST Stock Exchange re-opens formally today after 42 years, with attention centred on Ibusz, the first company to be listed and Hungary's pioneer privatisation, writes Nicholas Denton in Budapest.

Bonds have been issued since 1983 and an embryonic stock market has operated for more than two years, but trading has been slack: in some sessions, no stocks have changed hands at all. Stock Exchange officials hope that western interest in Ibusz shares and the efforts of 41 securities companies, most of them new, will acti-

PARIS had a quiet session, with the CAC 40 index sticking within an 11-point range throughout the day, closing 3.52 higher at 2,009.31. Investors were besitant before the end of the monthly account today. News of a larger-than-expected May trade deficit of FFr5.7bn had little effect.

vate the market.

Hachette continued to plunge in active trading after its forecast of flat 1990 earnings, losing FFr31 to FFr331.10.

Michelin topped the volumes lists, falling FFr2.70 to FFr115.30 with 293,800 shares

MADRID sprang into life in the continuous session in the afternoon after Wall Street's firm opening, following a rather thin open-outery session in the morning. The general index rose 1.78 to 284.74 in turnover estimated at Ptalibn to Ptalibn, after the previous

offer of \$67.50 a share.

day's busy Pta10bm.
Telefónica rose Pta16 to Pta865 on fundamentals and amid talk that a lack of available stock in the telecommunications group in the US was pushing up its price in Spain, said Mr Ignacio Garcia Barrero, head of dealing at FG bro-kers. Constructions and electrical stocks also drew demand Bargain-hunters lifted Mapfre, the insurance com-

pany, by Pta90 to Pta8,010, after a day's high of Pta8,080. The stock had fallen from Pta8,800 a week ago when it announced its plan to buy key assets of the Puerto Rico Amer-

ican Insurance Company.
STOCKHOLM was led higher
by Ericsson which rose on rumours that it would soon win an order worth SKrSon to supply mobile telephones to the US. Its free B shares added SKr40 to SKr1,325.

The Affärsvärlden General index rose 5.3 to 1,273.6 in turnover of SKr357m, with Ericsson accounting for about one third. SCA free Bs added SKr1 to SKr114 after news that it was acquiring the UK packaging company, Reedpack, for more than film. But Standard and Poor's placed the A-1 rated commercial paper of SCA Capicommercial paper of SCA Capi-tal Corp Inc, guaranteed by its parent SCA, on its Credit-Watch list. The credit rating agency said that the acquisi-tion, which would be financed initially by debt, would limit SCA's financial flexibility to weather cyclical downturns in forest products.

AMSTERDAM firmed across the board, lifted by Frankfurt and an early rise in London, but turnover stayed thin. The CRS Tendency index gained 0.6

Philips was 30 cents better after saying it would lay off 210 of the 700 employees at its Apeldoorn computer plant, which it said should be back in profit by 1992. OSLO rebounded after its

recent falls and on hopes for lower interest rates. The allshare index rose 6.74 to 616.63 in turnover of NKr270m. Norsk Hydro added NKr2 to NKr200.

135.01

# Economic worries put brakes on Australia

Kevin Brown explains why the recent mini-rally in the stock market has fizzled out

NVESTORS hoping that the Australian market had turned the corner have been disappointed recently as the All Ordinaries index has slid back towards the psycho-logically important 1,500 level.

A sporadic rally which sputtered into life towards the end of May seems to have run out of steam after peaking at ,535.5 on June 5, and most brokers now expect the market weakness to continue until there is a real improvement in the economy. Yesterday, the index edged back over 1,500. mainly because of a shortage

of stock, rising 3.4 to 1,502.8. Australia's economic problems started to hit the market seriously in the middle of last year, largely because of concern about the soaring current account deficit – likely to top A\$20bn (US\$15.6bn) this year and the country's A\$120bn

of foreign debt. Local confidence has also been battered by the well-pub-

AFTER moving in a narrow

range for most of yesterday, share prices closed with a gain,

albeit modest, for the first time

in four sessions, writes Michiyo Nakamoto in Tokyo.

47.38 higher at 32,087.76, holding above the 32,000 level after a high of 32,182.33 and a low of 32,005.63. Lack of news kept

interest low and the only impe-

tus came from arbitrage-linked buying in small lots towards

midday, triggered by higher

Volume improved from Tues-day's 330m shares but remained weak at 400m. Recently market activity has

been curtailed severely and, for

the past seven sessions, vol-ume on the first section has

not passed 500m shares.
Advancing issues led losers
by 492 to 446 and 193 issues

were unchanged. The Topix index of all listed stocks added

12.87 to 2,366.80 and, in Lon-

don, the ISE/Nikkei 50 index

Rising long-term interest

rates, combined with major events in July, such as German

monetary union, kept investors cautious. Due to the negative interest rate scenario, large-

capital issues were generally out of favour. But buying re-emerged in some stocks that had been sold heavily. Misubi-

shi Heavy Industries topped the actives list with 17m shares and gained Y10 to Y1.040.

Some high-priced, high-tech-nology stocks were sought by investors looking for volatile

issues offering quick gains. Kyocera, the maker of semi-

conductor components and electronic equipment, added

Y180 to Y8,070 and Sony firmed Y100 to Y8,470.
On the whole, however, strong buying enthusiasm was reserved for the smaller issues with good earnings or special stories to support them. Tokyo Steel Manufacturing rose Y100 to a record Y4,590 in view of demand for its steel products

demand for its steel products.

Mory Industries was strong
on demand for its processed
stainless steel, also used in the

GOLD SHARES extended their

losses as bullion price uncer-tainty and a firm financial

rand kept prices under pressure. Vaal Reefs lost R9.50 to R251 and De Beers fell R1.50 to R92. The JSE all-gold index

1900 Low

**SOUTH AFRICA** 

shed 35 to 1,322.

rose 6.69 to 1.768.93.

The Nikkei average ended

Tokyo

licised troubles of Australia's high-profile entrepreneurs, serious industrial problems, and the uncertainty caused by a closely fought general election in March.

In addition, the big banks gave the market a fright by revealing hugely increased provisions for bad debts, partly as a consequence of the easy money regime which fuelled the entrepreneurs. The perception that lending rules have been considerably tightened this year has weakened sentiment further.

The fall never looked like being as precipitate as that which followed the global crash of 1987, when the All Ordinaries slumped from 2,300 to 1,150 in a couple of months. But it was severe enough to push the index down from 1,783 in August to 1,431 early in

The latest mini-recovery peaked after the publication of unexpectedly robust growth

hit a year's high of Y1,400 in afternoon trading but closed

with a Y130 increase to Y1,380.

Fuji Photo Film was another good earnings issue. It was sec-

ond in volume terms with

10.9m shares and posted a Y100 advance to Y4,390. It has been

rumoured that Fuji would

Nippon Telegraph and Tele-phone (NTT), the huge tele-communications company,

surged Y70,000 to Y1.15m after

remarks by the company's

chairman suggesting that it

A wait-and-see mood pre-

vailed in Osaka and interest was limited to special situa-

tions. The OSE average rose 18.10 to 35,232.75 on volume of

39m shares against Tuesday's 31m. Rohm surged Y230 to Y4,650 on growing sales of its semiconductor lasers, used in

communications equipment

Roundup

might issue bonus shares.

increase its dividend.

figures at the end of May, and reflected a national sense of relief that Australia appeared to have avoided slipping into recession - defined as two

to positive growth of 1.8 per cent in the March quarter.

successive quarters of negative

The rally has again petered out on growing scepticism about the credibility of the figures, which show an apparent turnround in the economy from negative growth of 0.1 per cent in the December quarter

Like everyone else, investors are waiting for the next set of monthly figures to gauge whether the economy can avoid the recession which seemed likely a month ago.

Meanwhile, the weakness in the market seems likely to continue until the end of the year,

Talwan

Weighted index ('000')

June 1990

TAIWAN plunged on sharply

reduced volume on fears that the New Taiwan dollar would

have to depreciate further as a

result of the recent, heavy capital outflow. The weighted index fell 370.84, or 6.3 per cent, to finish at 5.522.04, the

lowest close since January

1989. Volume shrank to 686.5m shares or T\$35.74bn from

SECUL fell for the third

straight session. The composite

index lost 8.77 to 740.84 in thin

turnover of Won101bn, down

1.02bn shares or T\$50.77bn.

when most observers forecast a fall in interest rates, which should also help the export sec-tor by reducing the external value of the Australian dollar.

Australia All-Ordinarios index 1600

Jan

Most observers think that further dramatic falls are unlikely. Mr Alan Jury, semior analyst at Macquarie Bank, says the index is likely to bump along below 1,500 for the next few months, but is unlikely to fall below 1.450. The view that the market is

presence of the institutional investors, most of which have retained about 30 per cont of their portfolios in equities. The AMP Society, Austraha's biggest investor, has sale publicly that it sees good opportunities in the market at the present level, and brokers tip the transport and building materials sectors to lead the market upwards when senti-

ment changes. For the moment, however, events remain dominated by the struggles of a handful of debt-laden companies. The Stock Exchange has been minby tougher with problem companies in recent mostifis in est attempt to dispel the image of Australia as a haven for corporate cowboys, but much of the good work has been undone by the inability of the federal and state Governments to agree on a legal framework for a new

National Securities Commis-

at or near the bottom is

Nikkei closes with first gain in four sessions

SRI LANKA share prices and trading volume have plunged after the outbreak of fighting last week between government troops and Tamil rebels, which ended an uneasy trucs. The stock market index fell to 334.8 on Tuesday, down 35.2 points, or 9.5 per cent, over the week.

Turnover shrank to Rs1.8m on Tuesday from an average

Rs5m last month. The fall came after several weeks of gains. supported by optimism about the economy and the news that the Government would allow foreigners to buy up to 40 per cent of shares in local companies without paying tax.

from Won175bn. The stock market stabilisation funds played a moderate role in supporting the market in the late morning, as about Won20bn worth of buying orders were placed. But individual inves-tors remained sellers on worries about the Government's

tight monetary policy. HONG KONG inched higher in the heaviest trade for more than a year, shaking off a midsession selling bout which briefly brought prices into the red. The Hang Seng index added 5.37 to 3,234.39. Turnover

climbed to a very large HK\$2.36bn from HK\$2.07bn. BANGKOK rallied across the board on expectations of an early resolution of the domestic political situation, now that

Prime Minister Chatichai

Chocahavan has returned from a visit to the US. After market bours, the Prime Minister reep pointed Gen. Chavalit Yourch aiyudh to the Cabinet. The official SET index added 24.53 to 1.014.11.

NEW ZEALAND was encoun aged by the overnight rise on Wall Street, and the Barclays index firmed 9.24 to 1,301.74. Turnover was boosted to NZ\$21m from Tuesday's NZ314m by volume in Fietcher Challenge which saw shares valued at NZ\$9m change hands. The stock added 1 cent to NZ\$1.20

SINGAPORE saw the Straits Times industrial index up 6.98 to 1,535.85, and KUALA LUM-PUR's run of declines came to an end as the composite index

# AN EVENTFUL day for Pacific Rim markets included a 63 per cent plunge in Taiwan, and Hong Kong's biggest trading volume in more than a year.

# KREDIETBANK

# A FURTHER RISE IN PROFIT A strong profitability and solvency position

Net profit: up by 15.2%

After deduction of realized gains transferred to the exempted reserves (viz. BEF 965 million), profit for the financial year totalled BEF 4 980 million, an

increase of 15.2%. Balance sheet total: up by 9% The balance sheet total went up by 9% to BEF 1 404

billion.

Dividend: up by 10.3% A dividend of BEF 161 is proposed, 10,3% more than for 1989.

Solvency above the international norm After appropriation of profit, capital resources amounted to BEF 73 403 million, an increase of 11% on the previous financial year. The Kredietbank more than satisfies the new international norms as regards stockholders' equity.

Outstanding takings International tating agencies have assessed the

449.7

296.1

bank very highly, confirming its strong position as regards profitability and solvency both nationally and internationally.

The Kredietbank, at the service of its clientele

 in 763 branches throughout Flanders and Brussels; in its foreign branches (New York, London, Hong

Kong, Roubaix, Lille, Hallum);

· via its representative offices; via approx. 2 200 correspondent banks: · via its subsidiaries in Wallonia (Crédit Général). the Netherlands (Bank Van der Hoop Offers NV), West Germany (Kredielbank Bankverein AG),

Ireland (Irish Intercontinental Bank Ltd.) and Hong Kong (KB International (Hong Kong) Ltd.): · via the companies of the Almanij-Kredietbank Group (among other places, in Luxemburg and

Member of the Inter-Alpha Group of Banks

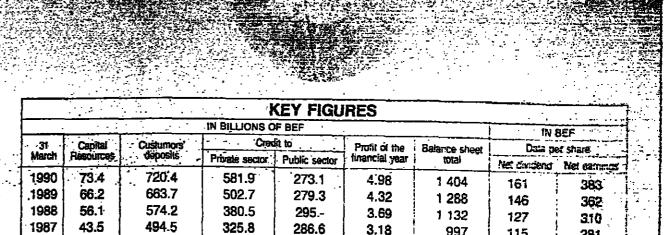
997

115

105.8

281

250



Copies of the 55th Annual Report (1989-1990) will be available from 29 June 1990 from KREDIETBANK Press and Public Relations Department. Grote Markt 19, S-1000 Brussels.

2.69

279.-

1986

28.

138.96 120.23 243.46 210.65 150.58 130.28 136.50 118.19 280.23 225.16 136.41 118.03 156.93 135.78 127.54 110.35 190.51 184.83 108.85 128.90 226.18 195.70 504.65 438.64 139.47 120.68 65.99 57.10 231.57 200.36 175.83 152.14 160.77 189.17 189.19 1214.89 185.97 103.77 89.79 164.44 124.28 147.42 127.56 121.08 118.63 158.31 212.14 213.08 285.63 131.20 128.48 160.02 119.02 115.98 153.61 228.75 228.60 261.79 118.68 113.65 162.29 138.73 138.71 188.85 111.13 131.71 138.37 132.30 136.00 167.93 198.57 94.65 99.82 109.25 129.83 144.74 197.25 109.25 129.83 120.09 145.86 57.50 60.15 75.35 201.78 203.51 245.90 180.12 176.04 207.93 153.21 151.03 251.30 140.09 128.12 165.19 187.29 193.25 277.57 90.44 91.13 104.51 143.27 142.28 166.11 126.83 144.40 148.55 148.45 148.55 119,95 135,11 208,73 235,11 130,01 146,43 117,84 132,73 225,07 253,52 117,82 152,31 111,16 125,22 114,84 129,12 163,93 184,65 94,15 106,04 126,90 142,93 194,00 218,50 436,84 492,04 121,04 136,33 563,00 63,42 200,97 226,37 177,08 199,46 151,77 170,94 138,75 156,28 196,13 209,85 89,67 101,01 142,93 140,73 127,72 143,86 125.85 183.15 132.11 130.37 236.69 129.89 141.89 112.24 172.72 91.85 124.63 130.43 53.57 204.53 130.43 176.70 170.00 132.89 -0.4 -0.5 -0.03 -0.03 -0.03 -0.05 -0 +0.2 -0.5 +0.2 +0.1 +0.4 +0.2 +0.7 +1.1 +0.5 -0.1 +0.6 -1.1 118.14 210.85 1127.81 116.20 225.84 113.33 139.13 111.99 133.02 167.06 100.00 142.93 234.93 157.86 157.86 157.86 157.86 150.66 125.86 90.83 142.21 144.98 139.20 242.22 150.88 136.75 261.19 136.73 157.96 128.99 133.03 190.24 109.26 147.26 233.54 148.27 132.28 132.54 132.54 132.93 135.09 105.74 219.74 440.30 154.50 154.50 156.20 156.20 156.20 156.20 156.20 156.20 156.20 156.20 156.20 156.20 226.77 118.72 137.13 111.99 115.51 165.17 94.86 127.87 195.46 440.196 56.73 202.49 178.41 152.91 133.79 143.27 143.27 125.88 -0.5 +0.5 +0.7 -1.0 225,13 506.93 140.46 65.34 233.22 205.49 176.12 161.01 215.99 104.06 165.03 144.96 Mexico (13).... Netherland (43)... New Zealand (17) +0.7 -0.6 +0.2 +0.1 +0.5 +0.3 Norway (23) South Africa (60)... +0.4 +0.4 127,72 143,86 128,69 127,78 178,18 128,14 142,09 127,10 141,40 127,12 143,17 128,07 136,44 124,42 140,18 125,38 143,07 117,73 132,63 118,64 118,84 116,44 131,17 117,39 120,59 127,23 143,32 128,20 136,28 123,80 139,46 124,75 138,72 125,27 141,12 126,23 138,93 125,59 141,85 128,89 137,20 +0.1 3.58 -0.2 1.72 -1.2 0.91 -0.6 2.00 +0.4 3.36 +0.2 2.78 -0.2 5.09 -0.6 2.06 -0.3 2.25 -0.3 2.49 +0.3 3.51 147.42 205.80 147.95 148.13 143.83 135.73 134.97 148.22 143.92 148.22 206.74 146.38 147.52 144.39 136.62 135.12 +0.5 +0.5 -1.1 -0.4 +0.4 +0.7 143,23 199,95 143,75 143,91 139,75 127.63 175.17 143.08 137.94 142.51 118.57 127.56 178.06 128.01 128.46 179.32 128.92 128.17 124.45 117.44 116.78 128.25 124.52 129.07 125.36 118.30 117.81 129.18 125.41 131.90 131.15 144.02 139.83 145.55 145.50 125.93 125.89 141.42 128.83 141.38 128.80 The World Index (2370)... 145.56 -0.1 125.43 141.29 126.39 139.02 -0.3 2.50 145.73 126.09 141.59 126.99 139.39 182.06 132.25 140.34 Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatiWest Securities Limited. 1987 Constituent change 20/6/90: Name change: Lonvest Corp. to London Insurance Corp. (Canada). The market Increased following changes in toreign ownership restrictions. Latest prices were unavailable for this edition.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Gross Div. Yleid